

# CFFEX Monthly Market Update April 2015

## Market News

China Financial Futures Exchange launched two new stock index futures contracts on April 16<sup>th</sup>: the SSE50 and the CSI500. With the listing in March of the 10-year Chinese treasury bond futures contract, the last two months have been the most active for new product launches at CFFEX. The exchange currently lists five products for trading. The SSE50 consists of the top 50 stocks traded on the Shanghai Stock Exchange, while the CSI500 is a SME index that includes the top 500 enterprises traded on the Shanghai Stock Exchange and the Shenzhen Stock Exchange ranked after the constituents of the CSI300 index. More details on the indices can be found at the website of the compiler, China Securities Index Co. Please click [SSE50](#) and [CSI500](#) for more information (links will bring the user to another website).

The major difference between the new contracts is the multiplier for the CSI500 contract, which has been set at CNY 200 due to the higher level of the index. The new stock index futures contract specifications are presented below.

### SSE50 and CSI500 Index Futures Contract Specifications

Underlying	SSE50	CSI500
Multiplier	1 point = CNY 300	1 point = CNY 200
Quote method	Points	
Tick size	0.2 point	
Contract months	Current month, next month and next two quarter months	
Trading times	9:15-11:30, 13:00-15:15	
Last trading day	9:15-11:30, 13:00-15:00	
Price limits	± 10% from previous day settlement price	
Minimum margin	8% of contract value	
Last trading day	Last Friday of the month	
Delivery date	Same as last trading day	
Daily settlement price	Volume weighted average of contract in last hour	
Final settlement price	Arithmetic average of index in last two hours	
Delivery method	Cash	
Trading code	IH	IC

In other news, the CFFEX benchmark CSI300 stock index futures contract position limits were revised from 1200 contracts to 5000 contracts per direction (long/short) per contract month.

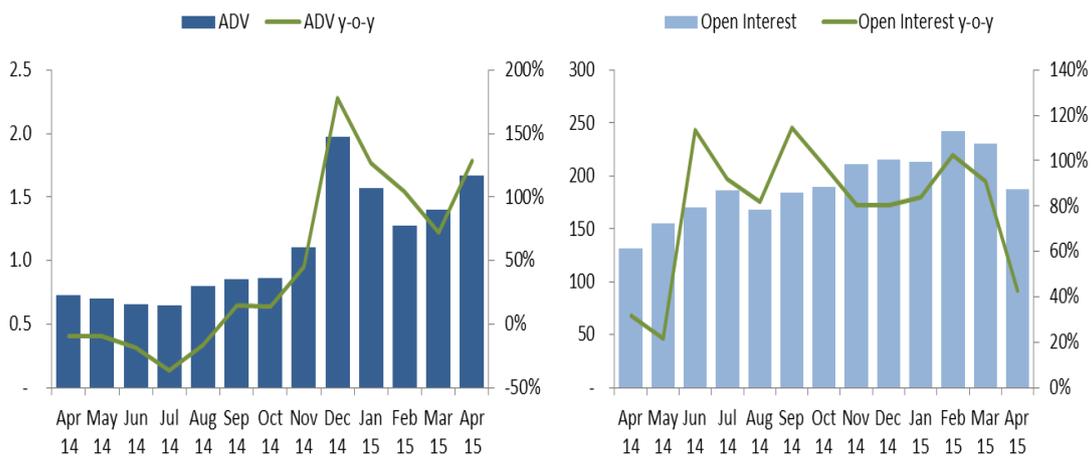
## Index Futures

### CSI300 Index Futures (trading code: IF)

Average daily volume (ADV) in benchmark CSI300 futures rose above the 1.5 million contract mark for the first time in two months to 1.66 million contracts, a 19% increase m-o-m. Meanwhile open interest slid 18.7% m-o-m to 187,270 contracts, the largest monthly decline in at least a year.

Figure 1. Average Daily Volume (millions)

Figure 2. Open Interest (thousands)

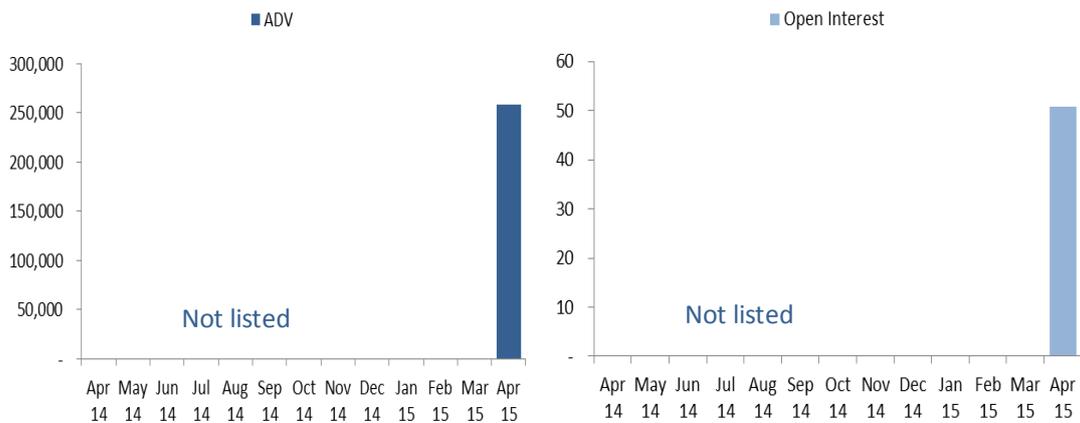


### SSE50 Index Futures (trading code: IH)

The first month of trade in SSE50 index futures contracts saw brisk liquidity enter the market. 156,867 contracts traded on the first day and a total of 2.8 million contracts traded in the month. ADV was an impressive 258,702 contracts and open interest amounted to 50,746 contracts at month end.

Figure 3. Average Daily Volume

Figure 4. Open Interest (thousands)



### CSI500 Index Futures (trading code: IC)

Equally encouraging, the new CSI500 index futures contract traded 1.47 million lots across all contract months in April. ADV reached 133,783 contracts and open interest ended the month at 21,100 contracts. The quick start to both new contracts illustrates the extent of pent up demand for other major index products in China.

Figure 5. Average Daily Volume

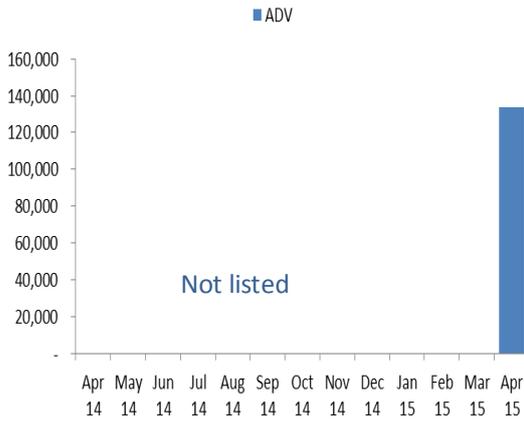
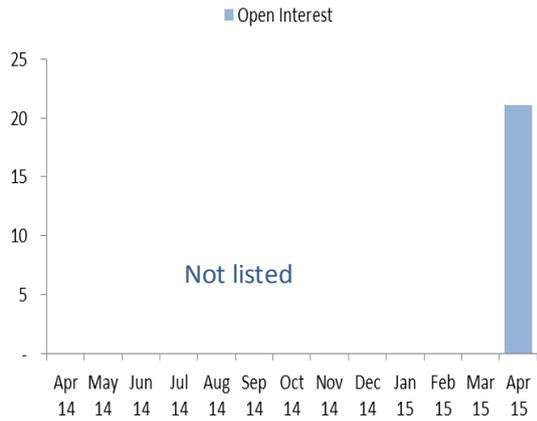


Figure 6. Open Interest (thousands)



### Treasury Futures

#### 5-year Treasury Futures (trading code: TF)

5-year treasury futures ADV slumped in April to 12,484 contracts. Although the decline was sharp, April ADV was still the second highest on record. Open interest, in contrast to volume, climbed higher to reach 46,728.

Figure 7. Average Daily Volume (thousands)

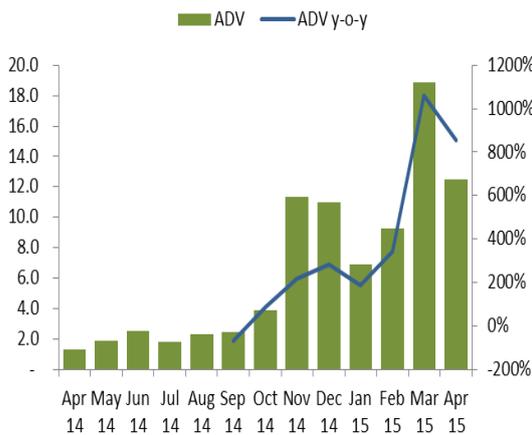


Figure 8. Open Interest (thousands)



## 10-year Treasury Futures (trading code: T)

Trading in 10-year treasury futures made further gains in its second month. The product traded 44,618 lots across all contract months and open interest at month end stood at 17,583 contracts, increasing dramatically from March. Average daily volume grew 61% m-o-m to 2782 contracts.

Figure 9. Average Daily Volume



Figure 10. Open Interest (thousands)



## Monthly Product Breakdown

As CFFEX launches new products, the composition of the market is changing. While CSI300 volume accounted for 88% of trade at CFFEX in April, open interest was more evenly split among the other products. The top three products by open interest in April were CSI300 (58%), SSE50 (16%) and 5-year treasury futures (14%).

Figure 11. Volume Breakdown

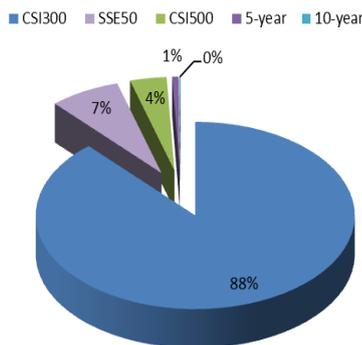
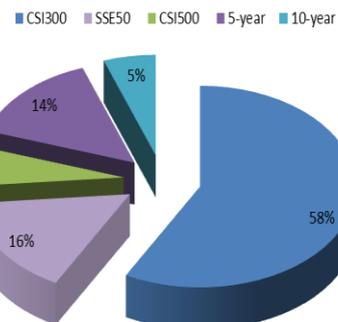


Figure 12. Open Interest Breakdown



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