

CFFEX Monthly Market Update July 2015

Market News

In response to the extraordinary volatility in underlying mid-cap stocks and in order to maintain smooth functioning of the index futures markets, CFFEX raised CSI500 futures margin levels in July. CSI500 futures margins were adjusted from 10% to 30% on sell-side speculative positions.

Furthermore CFFEX made changes to its fee structure in July, taking effect from August 3rd. The fee has been separated into two parts: a trading fee and a messaging fee. The trading fee was adjusted to 0.0023 basis points of the transaction value and the messaging fee was set at one yuan per message, where a message constitutes an order to buy, sell, or cancel.

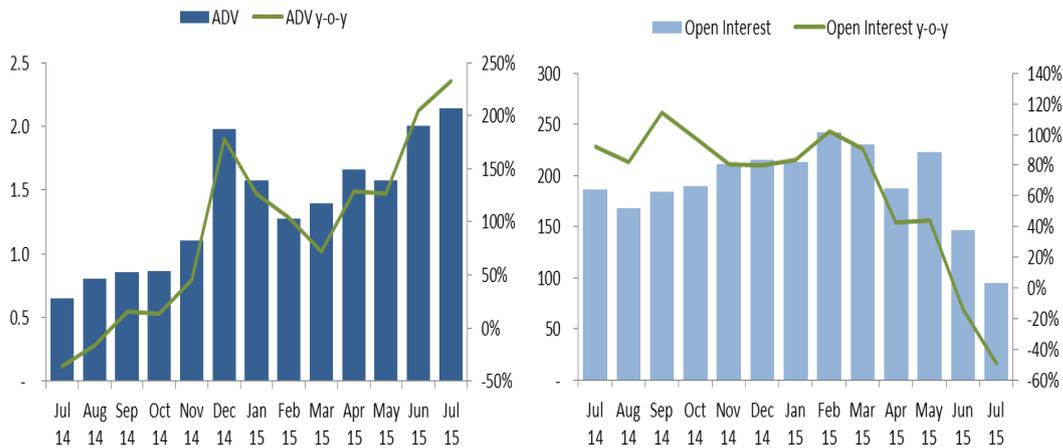
Index Futures

CSI300 Index Futures (trading code: IF)

Trade continued to climb in July with average daily volume (ADV) in benchmark CSI300 futures over 2.1 million contracts. Meanwhile open interest declined abruptly m-o-m to 94,803 contracts, bringing it to levels not seen since 2013.

Figure 1. Average Daily Volume (millions)

Figure 2. Open Interest (thousands)

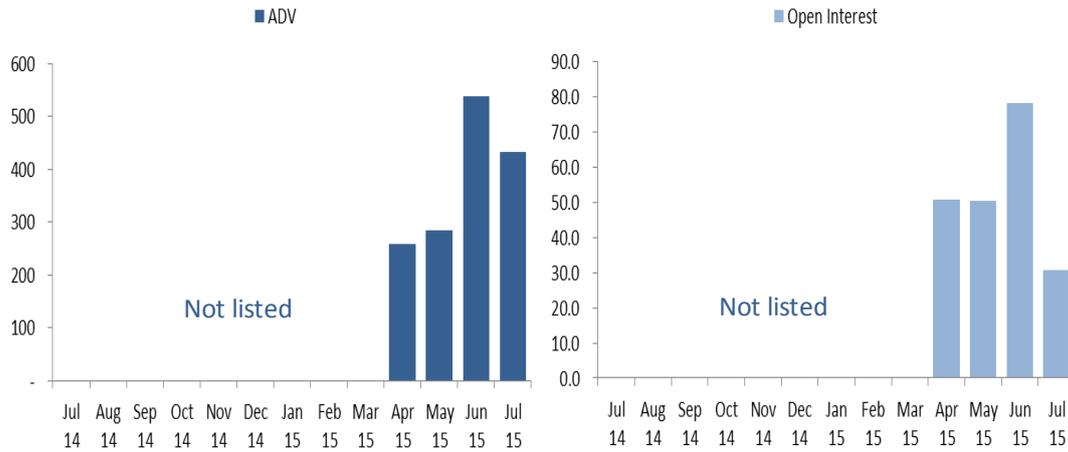


SSE50 Index Futures (trading code: IH)

July volume and open interest in SSE50 futures came off their respective highs in June. ADV decreased 19.7% m-o-m to 431,950 contracts; and open interest ended the month at 30,628 contracts, its lowest since launch.

Figure 3. Average Daily Volume (thousands)

Figure 4. Open Interest (thousands)

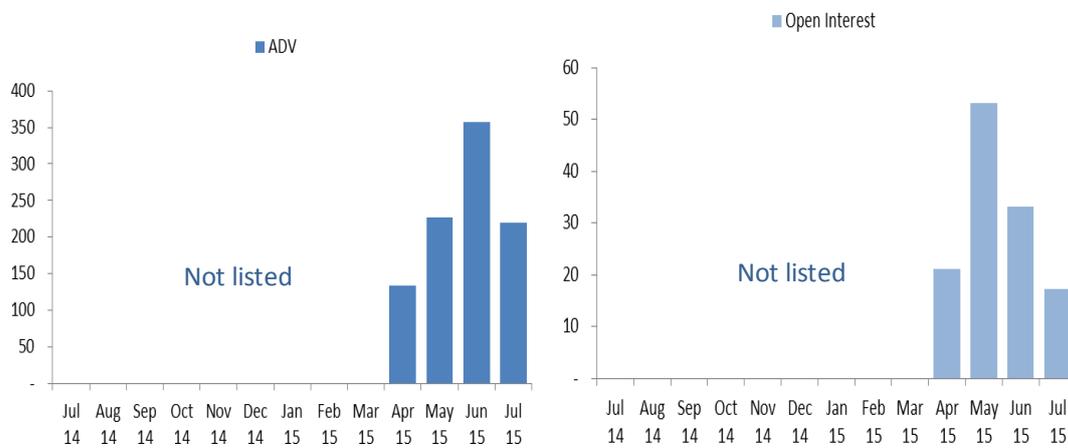


CSI500 Index Futures (trading code: IC)

Similar to activity in SSE50 futures, CSI500 index futures volume and open interest both fell in July. ADV dropped sharply m-o-m to 219,413 contracts, just below May’s volume; and open interest ended the month at 17,339 contracts.

Figure 5. Average Daily Volume (thousands)

Figure 6. Open Interest (thousands)



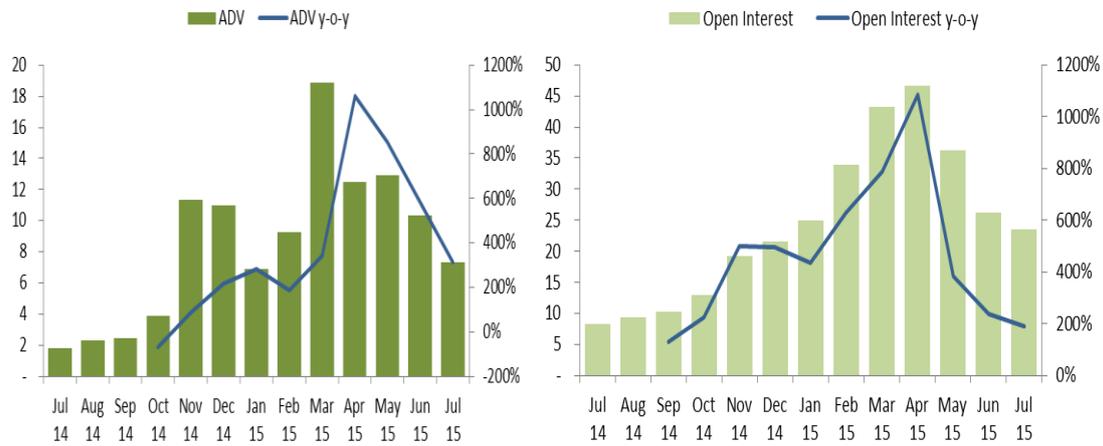
Treasury Futures

5-year Treasury Futures (trading code: TF)

5-year Treasury futures ADV slumped again in July to 7317 contracts. Open interest, following volumes lead, declined 29% m-o-m to 23,562 contracts, its lowest this calendar year.

Figure 7. Average Daily Volume (thousands)

Figure 8. Open Interest (thousands)

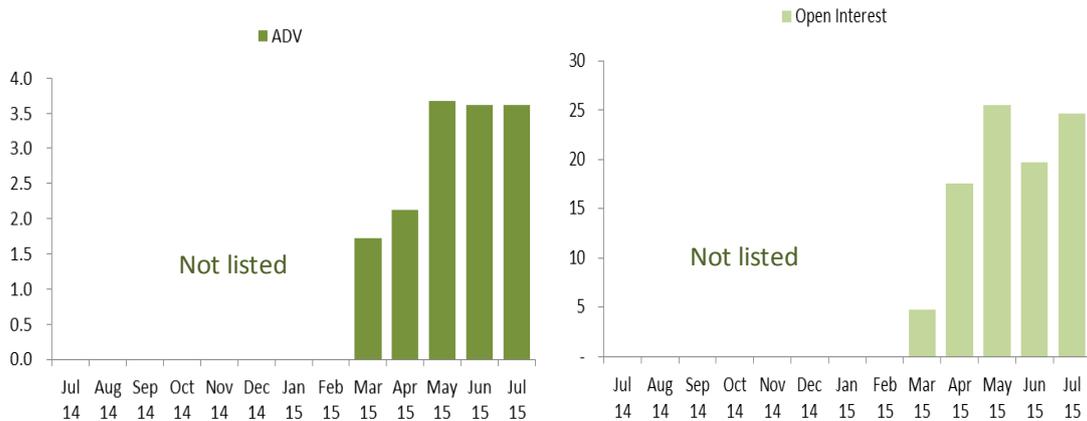


10-year Treasury Futures (trading code: T)

ADV in 10-year Treasury futures has stabilized around 3500 contracts in the last three months. Open interest at month end stood at 24,674 contracts, its first time surpassing that of the more mature 5-year product.

Figure 9. Average Daily Volume (thousands)

Figure 10. Open Interest (thousands)



Monthly Product Breakdown

CSI300 volume accounted for 76.4% of trade on CFFEX in July, increasing from June helped by volume declines in the other index products. The top three products by open interest in July were CSI300 (50%), SSE50 (16%) and 10-year treasury futures (13%). Open interest in Treasury futures now account for 25% of total open contracts on CFFEX.

Figure 11. Volume Breakdown

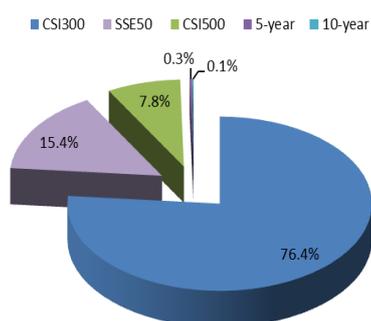
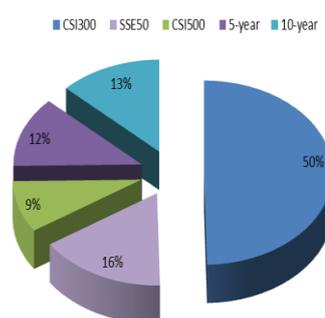


Figure 12. Open Interest Breakdown



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