

# CFFEX Monthly Market Update September 2015

## Market News

CFFEX implemented further restrictions on the index futures product suite in September to control risks and stabilize the index futures market. New measures introduced on September 2<sup>nd</sup>, included a limit on the amount of contracts that could be opened from speculative and arbitrage accounts (10 contracts), margins increased to 40% for speculative and arbitrage accounts and 20% for hedging accounts, and fee increases for positions opened and closed intra-day to 0.23% of the closing notional trade price.

In other news, CFFEX published a consultation notice regarding the implementation of circuit breakers. Current plans call for two system-wide circuit breakers at +/- 5% and +/-7% price levels referencing the CSI300 cash index. At the +/- 5% threshold, a 30 minute trading pause in all index futures contracts would be initiated and if the price touches the +/- 7% level, a day long trading halt would ensue.

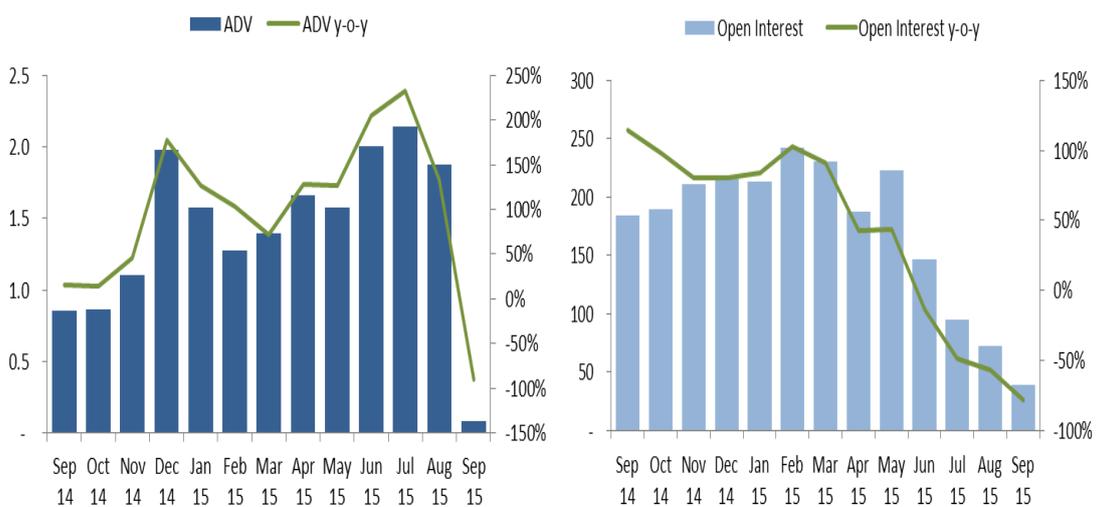
## Index Futures

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

Due to the temporary measures enacted, ADV in CSI300 futures slid drastically in September. Open interest declined also, but not as sharply. ADV during September was 81 thousand contracts and open interest ended the month at 38 thousand contracts.

Figure 1. Average Daily Volume (millions)

Figure 2. Open Interest (thousands)

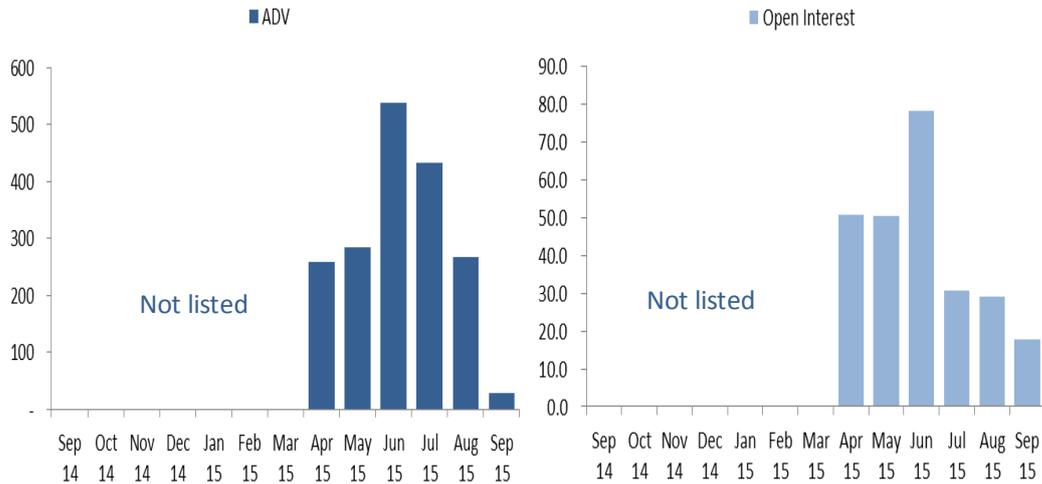


### SSE50 Index Futures (trading code: IH)

Similarly, SSE50 futures ADV and open interest also saw reductions in September. ADV dropped to 28 thousand contracts and open interest to 17 thousand contracts.

Figure 3. Average Daily Volume (thousands)

Figure 4. Open Interest (thousands)

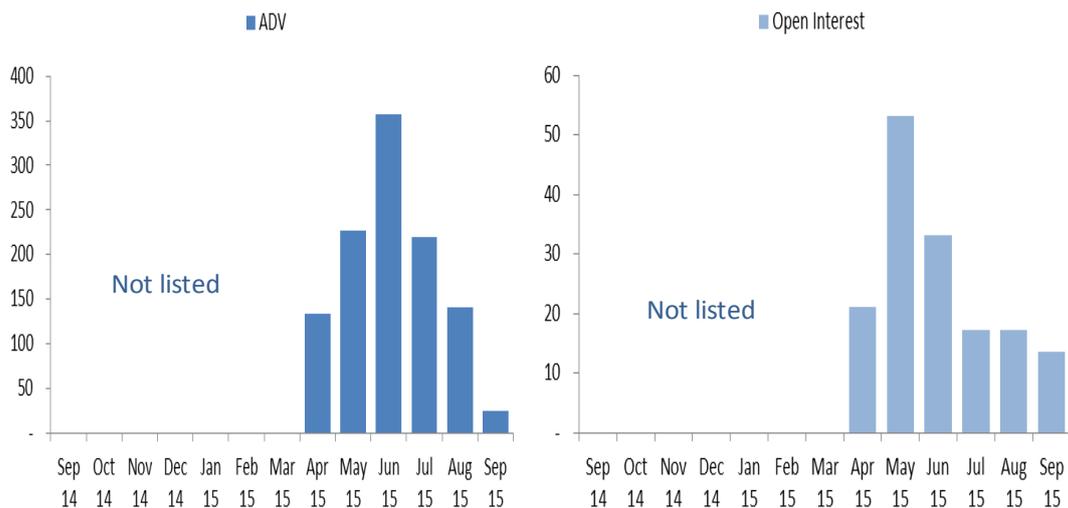


### CSI500 Index Futures (trading code: IC)

CSI500 ADV and open interest continued the downward trend, although the drop in open interest was far less dramatic in CSI500 futures. ADV and open interest were 24 thousand contracts and 13 thousand contracts, respectively.

Figure 5. Average Daily Volume (thousands)

Figure 6. Open Interest (thousands)



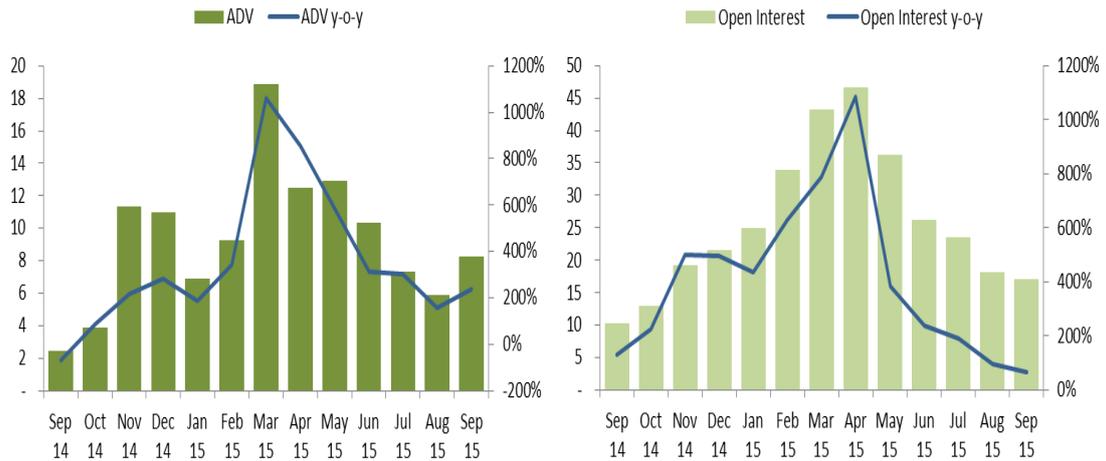
## Treasury Futures

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

5-year treasury futures ADV increased in September to 8,255 contracts, reversing the trend over the last three months. Open interest, however, did not keep pace and ended the month down slightly at 17 thousand contracts.

Figure 7. Average Daily Volume (thousands)

Figure 8. Open Interest (thousands)

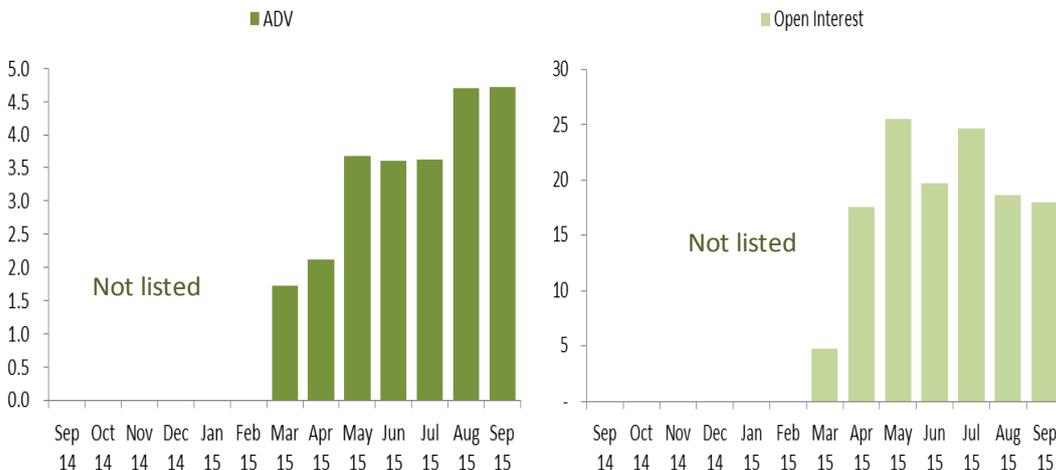


### 10-year Treasury Futures (trading code: T)

Volume and open interest were flat in the 10-year contract in September with ADV at 4713 contracts and 18 thousand contracts, respectively. September was the third consecutive month that open interest in the new 10-year contract remained above the more established 5-year contract.

Figure 9. Average Daily Volume (thousands)

Figure 10. Open Interest (thousands)



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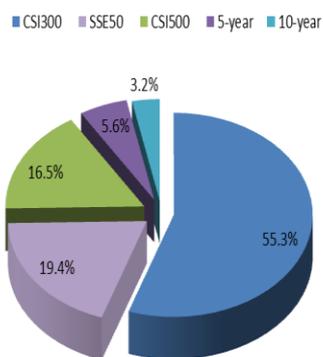
## Monthly Product Breakdown

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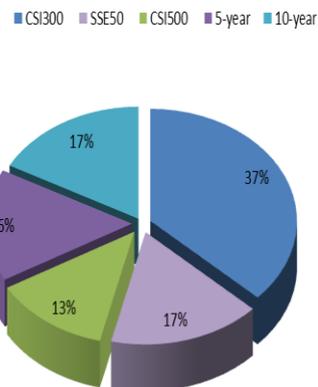
CSI300 volume accounted for 55.3% of trade on CFFEX in September, dropping from over 80% in the previous month. The top three products by open interest in July were CSI300 (37%), SSE50 (17%) and 10-year treasury futures (17%).

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**Figure 11. Volume Breakdown**



**Figure 12. Open Interest Breakdown**



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