

Index Futures

FTSE CHINA A50

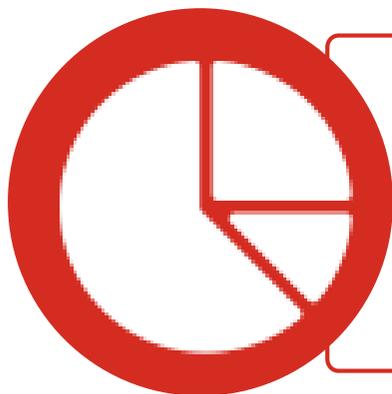
WHAT IS CHINA A50 INDEX?



Introduced as a benchmark for equity investment in China and is used to measure the stock performance of **A-listed firms***.

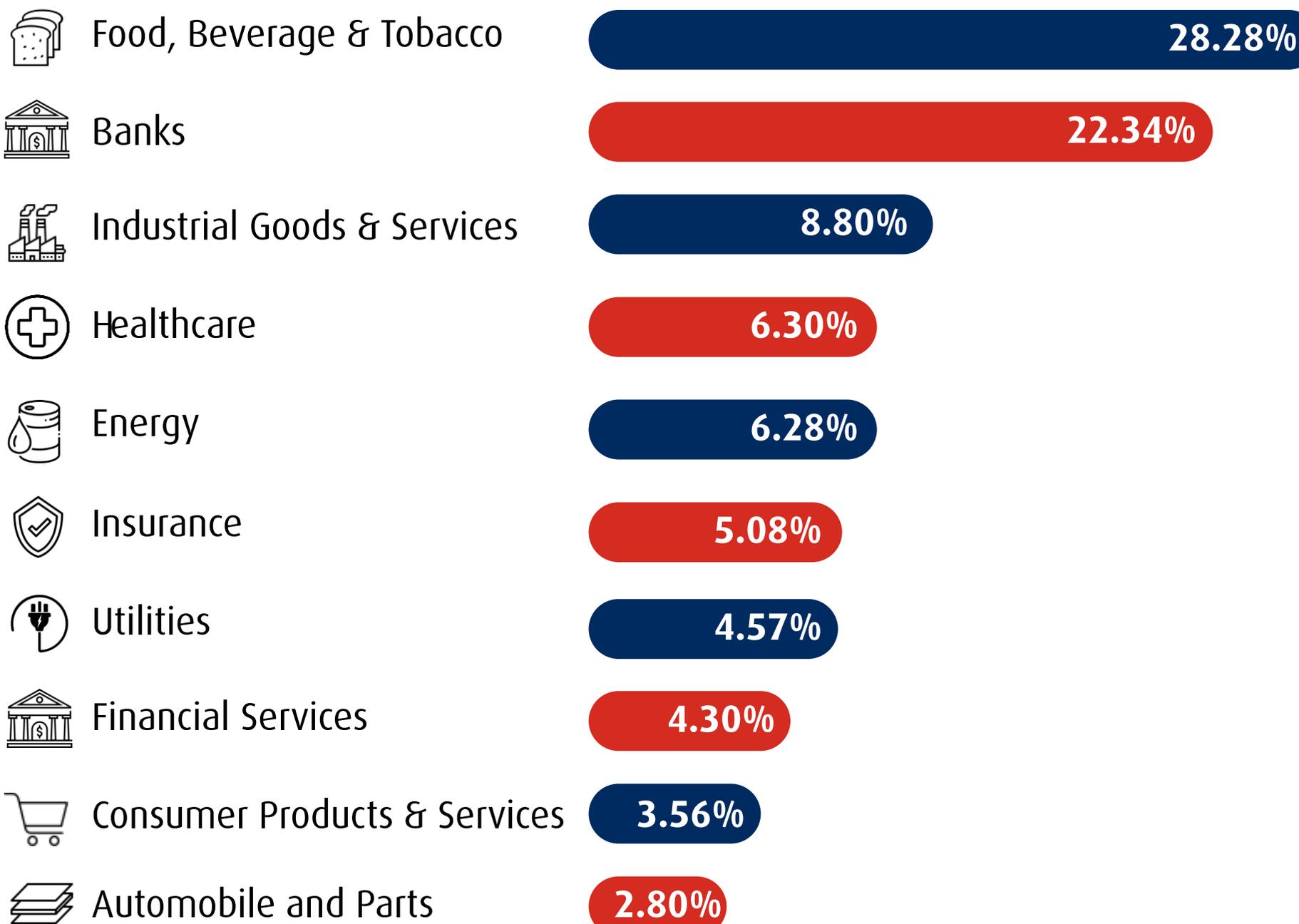
*China A-Shares

China shares that are listed in **RMB** that can be traded on the Shanghai Stock Exchange (SSE) and Shenzhen Stock Exchange (SZSE).



Weighted by **market capitalization** where the ranking is solely based on market value.

TOP 10 INDUSTRIES IN CHINA A50 INDEX*



*As of 31 January 2024

TOP 5 COMPANIES IN CHINA A50 INDEX*

<u>Company</u>	<u>Net Mcap (CNH Mil)</u>
 <p>Kweichow Moutai <i>Beverages</i></p>	564,504
 <p>Contemporary Amperex Technology <i>Electronic and Electrical Equipment</i></p>	186,602
 <p>China Merchants Bank <i>Banks</i></p>	177,384
 <p>China Yangtze Power <i>Electricity</i></p>	167,167
 <p>Wuliangye Yibin <i>Beverages</i></p>	137,269

*As of 31 January 2024

Source: AvaTrade, FTSE Russell, Investopedia

WHAT IS CHINA A50 INDEX FUTURES?

01

A futures contract traded on Singapore Exchange (SGX) which underlying is the China A50 Index.

02

A USD-denominated futures contract allowing traders to access the top 50 A-share companies in China.

03

Launched on 5 September 2006 and successfully attracted deep retail and institutional trading with an average daily volume of 200k in 2023.

CONTRACT SPECIFICATIONS

FTSE China A50 Index Futures

Contract Code

CN

Underlying Instrument

FTSE China A50 Index

Contract Size

USD1 x FTSE China A50 Index Futures Price

Minimum Price Fluctuation

1pt = USD 1

Settlement Method

Cash settlement

Contract Month

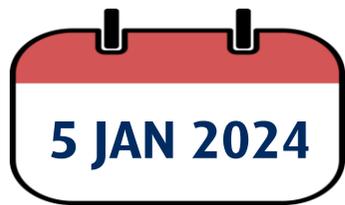
2 nearest serial months and Mar, Jun, Sep and Dec months on 1-year cycle.

Trading Hours

09:00 - 16:35
17:00 - 05:15 (T+1 Session)

TRADING EXAMPLES

Bullish Market



You think the price of CN will go up and BUY 1 lot @11,747



You close your position and SELL 1 lot @11,927

Gross Profit
= Price Difference x Contract Size
= (11,927 - 11,747) x USD 1
= USD 180

Bearish Market



You think the price of CN will go down and SELL 1 lot @11831



You close your position and BUY 1 lot @11680

Gross Profit
= Price Difference x Contract Size
= (11,831 - 11,680) x USD 1
= USD 151

FACTORS AFFECTING PRICES OF CHINA A50 INDEX FUTURES

Economic Data

Economic data in China including GDP, inflation rates and employment figures are crucial in determining the index's price.



E.g., Strong GDP growth will lead to increased corporate earnings and stock market returns.



Corporate Earnings

When the market sees an increase in China's corporate earnings, the price of stocks will move up accordingly.

FACTORS AFFECTING PRICES OF CHINA A50 INDEX FUTURES

Monetary Policy

Monetary policy also impacts the price of China A50.

E.g., In Jan 2024, China's central bank's decision to inject more money supply into the market will spur business growth and stimulate the stock market positively.



Currency Performance



China's exports will be impacted when China's currency strengthens, causing the stock market listed in China A50 index to fluctuate.

FACTORS AFFECTING PRICES OF CHINA A50 INDEX FUTURES

Geopolitics

Trade agreements, trade tensions and tariffs can affect stock market in China.



E.g., The US-China war that began in 2018 hurts the import and export of China, which then further impact the stock prices.



Global Event

Global events like the COVID-19 pandemic causes severe economic downturns and the affected companies' stock prices to drop.

OVERVIEW IN 2023



JAN - FEB 2023

+12.73%

The easing of the zero-COVID policy and strong economic data in China caused the financial market to recover.

A

FEB - MAR 2023

-12.55%

The collapse of Evergrande, the second largest property developer in China had caused the market to go bearish.

B

NOV - DEC 2023

-11.69%

The market showed a downward trend due to disinflation, sluggish consumer prices, slowing imports and anemic consumer spending.

C

WHY YOU SHOULD TRADE CHINA A50 INDEX FUTURES?



Gateway to China

A bridge to trade China index market easily with minimal requirements.



All-in-one

An all-in-one solution to trade the top 50 companies in China within a single transaction.



Diversify

Expose to various industries including F&B, banks, and industrial goods and services.



Liquidity

A highly liquid contract that provides more flexibility in trading.



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