

Hang Seng TECH Index Futures

What is Hang Seng TECH Index

Comprises of the **30 largest technology companies**, which are classified under Industrials, Consumer Discretionary, Healthcare, Financial, or Information Technology Industries.

Selected based on **technology themes**, which are Autonomous, Cloud, Digital, E-Commerce, FinTech or Internet

Free float market capitalization weighted with 8% cap on individual constituent weighting.



Top 4 Industries in Hang Seng TECH Index

**Consumer
Discretionary**

53.72% *



**Information
Technology**

41.14% *



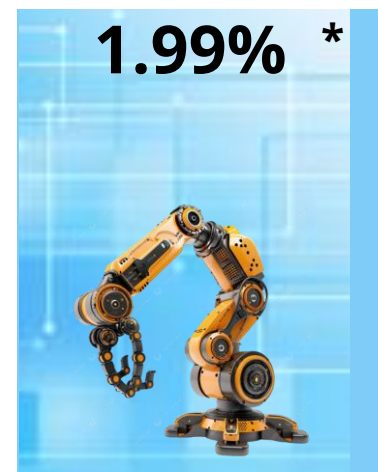
Healthcare

3.15% *



Industrial

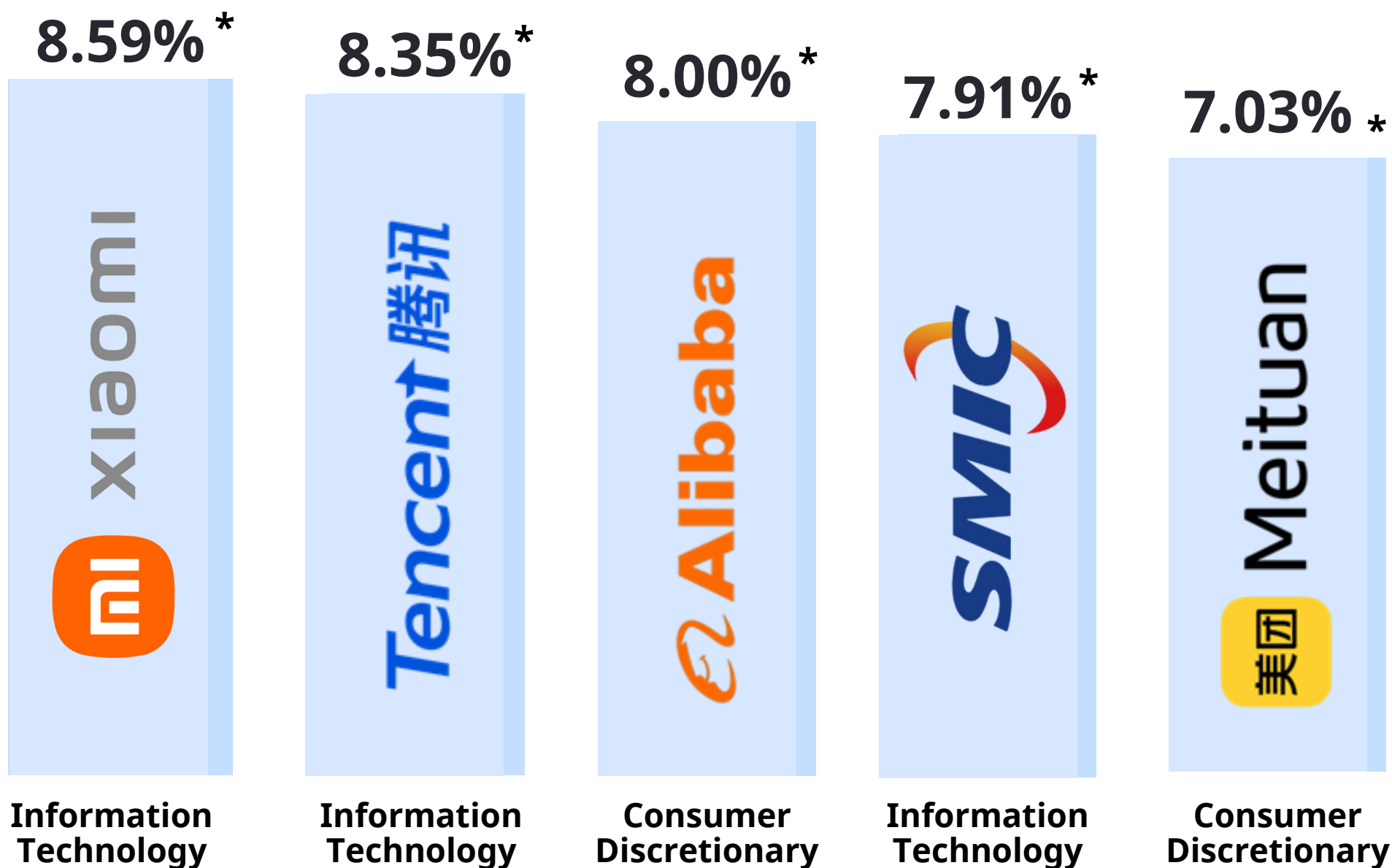
1.99% *



***As of April 2025**

Source: [hsi.com.hk](https://www.hsi.com.hk)

Top 5 Companies in Hang Seng Tech Index



*As of April 2025

Source: hsi.com.hk

What is Hang Seng TECH Index Futures

First launched in **27 July 2020**

First exchange-traded derivatives from Hang Seng TECH, comprising the performance of the **30 largest technology companies listed in Hong Kong**.

Certified by the **Commodity Futures Trading Commission (CFTC)** to be offered and sold to investors in the U.S.



Benefits of trading Hang Seng TECH Index Futures

Diversification

Spread across 30 listed technology firms in Hong Kong to reduce risk



Cost Effectiveness

Traded on a margin basis, with the margin set at a fraction of the contract value.

Hedging

It allows investors to manage risk in a volatile sector to offset potential losses.



Transparency & Efficiency

As an exchange-traded index, HSTECH operates in an orderly, efficient, and transparent market environment.

Contract Specification

Hang Seng TECH Index Futures

Underlying Instrument

Hang Seng TECH Index

Contract Code

HTI

Contract Size

HK \$50 per index point

Minimum Fluctuation

1 pt – HK \$50

Contract Month**Short-dated Futures:**

Spot Month, the next three calendar months and the next three calendar quarter months

Long-dated Futures:

The three months of June and December following the Contract Months specified for Short-dated Futures

Settlement Method

Cash

Trading Example

Intraday Trading



You think the price of HTI
will go up

BUY 1 lot @ 5,250



The market is bullish and you
close the position

SELL 1 lot @ 5,400

Gross Profit

= Price difference x Contract Size
= (5,400 - 5,250) x HK\$50
= HK\$7,500

Factors Affecting Hang Seng TECH Index

Global and Regional Issues

Economic events, geopolitical tensions, and market trends in other regions can influence the price of HSTECH Index Futures. In 2021, the tension between Russia and Ukraine war affected HSTECH, as it disrupted China's tech industry supply chain.



Corporate Earning

The performance and profitability of the technology companies listed in Hang Seng TECH can significantly affect the market price. With a strong performance and earnings growth, the HSTECH Index will rise while boosting investor confidence.

Factors Affecting Hang Seng TECH Index

Government Policies

Changes in regulations, economic policies, and government interventions have reshaped the market sentiment in the technology sector. HSTECH Index experienced a downturn in 2021 as the Chinese government enforced new policies and regulations restructuring the internet, education, and gaming industry, causing a massive sell-off.



Economic Indicators



GDP growth, employment rates, and consumer spending can influence the participants' sentiment and underlying indices of HSTECH. A decline in China's GDP can reduce consumer spending on discretionary purchases such as e-commerce, cloud services, and consumer electronics.

Factors Affecting Hang Seng TECH Index

Technology Advancement

Plays a critical role in influencing the HSTECH Index and technology companies listed in Hong Kong. In 2023, the launch of open-source AI model DeepSeek had a significant impact on the technology sector in Hong Kong and China



Currency Exchange Rates

The fluctuations in the exchange rates can affect the profitability of HSTECH firms and the underlying indices. Those involved in international trade will be impacted on their company's revenue and share prices.

JANUARY - MAY 2024

+ 40.11%



Share buybacks by many companies in China have lifted investor and participant's sentiment, which pushed the underlying indices higher.

The underlying indices rose as China's top securities regulator revealed measures to support the capital market in the Hong Kong Special Administrative Region (HKSAR).

JUNE - JULY 2024

- 21.71%

Hang Seng TECH Index Futures



U.S. trade conflicts with China affected the tech sector in particular as U.S. restricted imports of technology to China which caused chipmaker and tech stocks in Asia to fall.

The Hong Kong underlying indices dropped joining a global collapse that was sparked by the unwinding of artificial intelligence (AI) trades after earnings from mega-tech companies Alphabet and Tesla disappointed.

AUGUST - SEPTEMBER 2024

+ 68.38%



The U.S. Federal Reserve announced a 50 basis point rate cut, while China launched a slew of measures to bolster the nation's economy. This led to broad monetary easing which benefited the banking, insurance, property, and technology sectors.

China's central bank announced measures to support its general economy, particularly the property and capital markets. This included cutting reserve requirement ratio, reducing the down payment ratio for second-hand housing, slashing the existing mortgage rate, and trimming the interest rate for 7-day reverse repurchase operations.

OCTOBER - DECEMBER

- 23.65%



The underlying indices tumbled as participants were disappointed on China stimulus as it failed to deliver expected results due to lack of fresh policy measures.

Tensions in the Middle East caused crude oil prices to surge on fears of supply disruption, while uncertainty over the US Fed policy affected the tech sector in the US Equity Markets, which influenced the underlying indices in Hong Kong.



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