

## **Newsletter: TAIFEX to launch the RMB FX futures**

Taiwan Futures Exchange plans to launch two RMB FX futures contracts, the USD/CNT FX futures (RTF) and the USD/CNH FX futures (RHF), by late July.

The offshore RMB market in Taiwan has been growing rapidly and vigorously. In response to the fast increasing RMB-denominated asset and the trend of the internationalization of RMB, TAIFEX is going to launch two USD/RMB FX futures to provide investors a standardized and leveraged risk management tool, and to promote the diverse development of the offshore RMB market in Taiwan.

USD/CNT FX futures (RTF) and USD/CNH FX futures (RHF) are with contract sizes of USD 20,000 and USD 100,000 respectively. For the final settlement price (FSP), the USD/CNT FX futures will use the spot USD/CNY(TW) fixing published by Taipei Foreign Exchange Market Development Foundation, while the USD/CNH FX futures will go for the spot USD/CNY(HK) fixing of the Treasury Markets Association of Hong Kong. Trading hours for both contracts is from 08:45 to 16:15 and will cover the trading hours of Taiwanese interbank spot FX market.

The launch date for both RMB FX futures is pending for regulatory approval. The RMB FX futures could meet market demands, diversify TAIFEX product line and provide market participants, including but not limited to exporters/importers, banks, investors possessing RMB deposit or other RMB assets and foreign institutional investors an efficient trading and hedging tool.

## TAIFEX USD/RMB FX Futures Contract Specifications

Item	Description	
Name	USD/ CNT FX Futures	USD/ CNH FX Futures
Ticker Symbol	RTF	RHF
Underlying	Offshore USD/ CNY FX rate	
Trading Hours	<ul style="list-style-type: none"> <li>• Trading days are the same as banking days in Taiwan</li> <li>• 08:45AM-4:15PM Taiwan time</li> <li>• 08:45AM-11:00AM on the last trading day for the delivery month contract</li> </ul>	
Contract Size	USD 20,000	USD 100,000
Delivery Months	Spot month, the next calendar month, and the next four quarterly months.	
Daily Settlement Price	The daily settlement price is the volume weighted average price, which is calculated by dividing the value of trades by the volume within the last one minute, or as otherwise determined by TAIFEX according to the Trading Rules.	
Daily Price Limit	+/- 7% of previous day's settlement price	
Price Quotation	RMB per USD	
Tick value	0.0001 (RMB 2)	0.0001 (RMB 10)
Last Trading Day	The third Wednesday of the delivery month. New contracts will be listed on the next business day.	
Final settlement day	The same day as the last trading day	
Final Settlement Price	Spot USD/CNY (TW) fixing published at 11:15 a.m. on the Last Trading Day by Taipei Foreign Exchange Market Development Foundation	Spot USD/CNY (HK) fixing published at 11:15 a.m. on the Last Trading Day by Treasury Markets Association (TMA) of Hong Kong
Settlement	Cash settlement	
Position Limit	<ul style="list-style-type: none"> <li>• Any trader's aggregate open same-side positions in the Contract for various delivery months at any time shall not exceed the limit standards announced by TAIFEX.</li> <li>• These position limits are not applicable to omnibus accounts, with the exception of undisclosed omnibus accounts, which accounts are subject to the limits for institutional traders.</li> </ul>	