

## **TAIFEX's Mini-TAIEX Flexible Futures and PHLX Semiconductor Sector Futures Received CFTC's Commission Certification for US Trading**

The Taiwan Futures Exchange (TAIFEX) is poised to launch its brand-new flexible contracts trading platform on January 22, 2024. The inaugural product is the Mini-TAIEX Flexible Futures (MXFFX). Along with the TAIFEX PHLX Semiconductor Sector Futures (SXF) launched on December 18, 2023, both products have received Commission Certification from the US Commodity Futures Trading Commission (CFTC), allowing eligible brokers to market them to US participants.

The introduction of flexible contracts aims to provide traders with flexibility to select certain contract specifications, catering to their trading and hedging needs. For example, traders can tailor the expiration day to accommodate specific events such as major economic data releases, earnings calls or financial results announcements of mega-corporations. Traders can apply for the flexible contracts through futures brokers, and upon approval by TAIFEX on the same day, trading will begin on the next business day. The new flexible contracts trading platform allows traders to choose contract specifications, enabling them to manage portfolio risks more timely and accurately and to seize additional trading opportunities.

The PHLX Semiconductor Sector™ Index encompasses 30 global semiconductor giants listed in the US. It serves as a primary indicator for assessing the overall economic conditions of the global semiconductor industry. The multiplier for the TWD-denominated SXF is TWD 80, making the contract value approximately TWD 300,000 (USD 10,000), and it is available for trading in both regular and night sessions. The trading of SXF has grown steadily since the start of the year, with foreign and individual traders accounting for close to 20% and over 30% of the volume, respectively, indicating the market demands both internationally and locally. Taking advantage of the development of the semiconductor industry, TAIFEX introduced SXF and related semiconductor stock futures products to provide traders with more opportunities, navigate the global semiconductor technology landscape, and address challenges in the US-China-Taiwan silicon triangle relationship.

The CFTC's Commission Certification, granted for both the MXFFX and SXF, not only provides US participants with additional trading tools, but also assists TAIFEX in expanding its market reach in the US, attracting more foreign investors, enhancing market liquidity, and increasing international visibility.