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After The Virus: Trading China's Recovery Via Stock & Currency Futures

by Tariq Dennison, +852 9476 2868

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Image credit: <https://www.aljazeera.com/indepth/inpictures/pictures-china-wuhan-lifts-coronavirus-lockdown-200408144154526.html>

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About Tariq Dennison TEP CFP^{CM}

- Independent Adviser / Manager of accounts on Interactive Brokers Platform
 - US RIA: GFM Asset Management LLC
 - HK Type 9: GFM Group Limited
- 22 years global markets experience
 - Commerzbank (NY, London, Frankfurt)
 - Bear Stearns (NY)
 - J.P. Morgan (NY)
 - Canadian Imperial Bank of Commerce
 - Societe Generale (HK)
- Masters in Financial Engineering
 - University of California at Berkeley
- Visiting Prof at ESSEC Business School
 - Fixed Income
 - Alternative Investments
- Author of "Invest Outside the Box"



Outline of Fundamental Part

- What is Greater China?
- Why Greater China?
- Some Official Data
- Some Alternative Data
- After the virus and trade war
- Currency drivers
- Understanding the A50 and MSCI Taiwan index benchmarks & components

Outline of Action Part

- Understanding the futures
 - A50
 - MSCI China NTR
 - MSCI Taiwan
 - RMB Currency
- Sample long and short trading strategies

What is "Greater China"?



● Shanghai
A-shares (CNY)
B-shares (USD)

● Shenzhen
A-shares (CNY)
B-shares (HKD)

● Taipei (TWD)

● Hong Kong (HKD)

● Macao (MOP, but no real market)

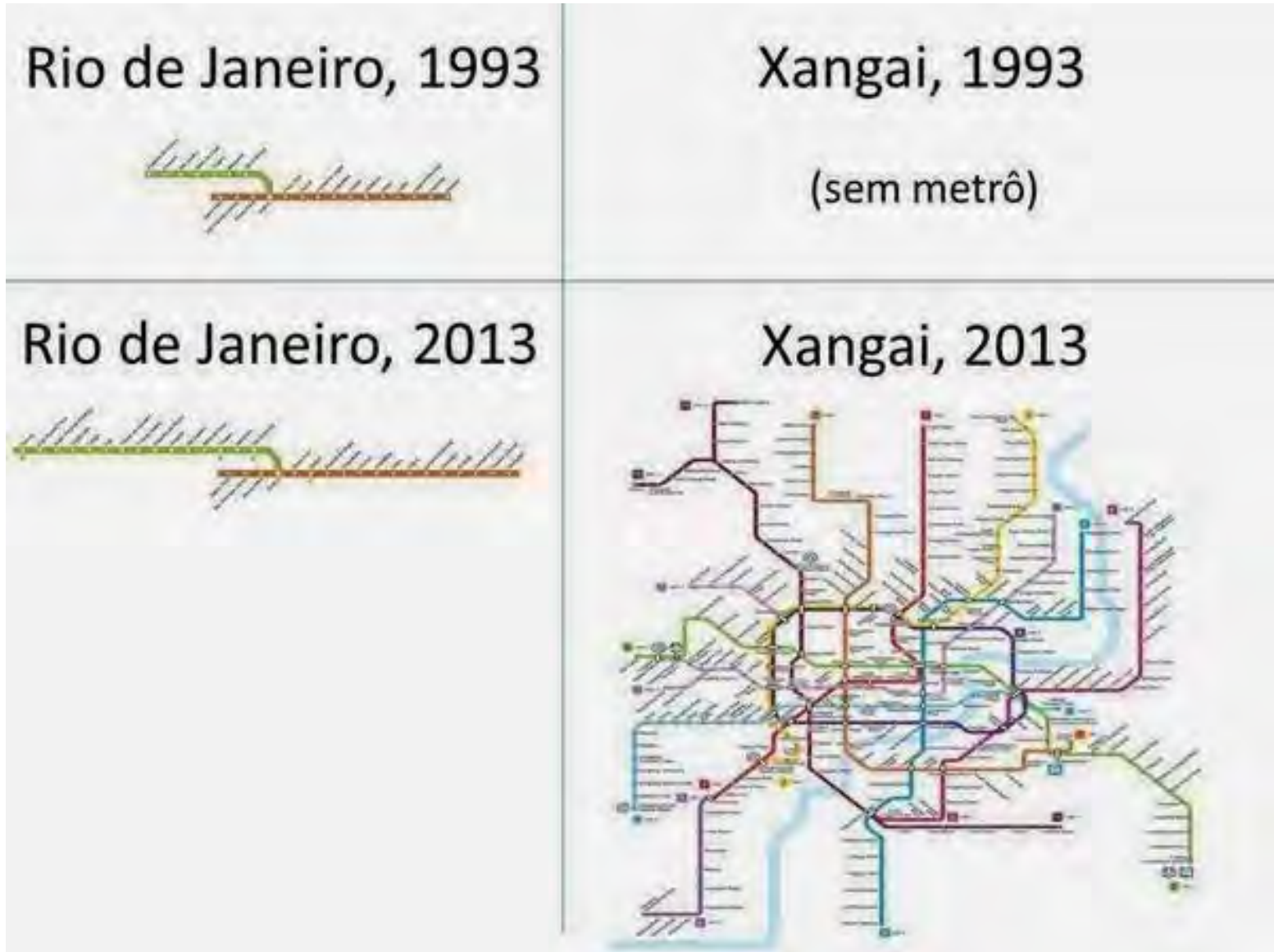
Source: https://commons.wikimedia.org/wiki/File:Greater_China.GIF

Why Greater China?



Source: <https://www.thechairmansbao.com/my-shanghai-a-city-of-changes/>

Why Greater China? (Meme #2)



Source: <https://urbandemographics.blogspot.com/2014/02/subway-systems-of-rio-and-shanghai-1993.html>

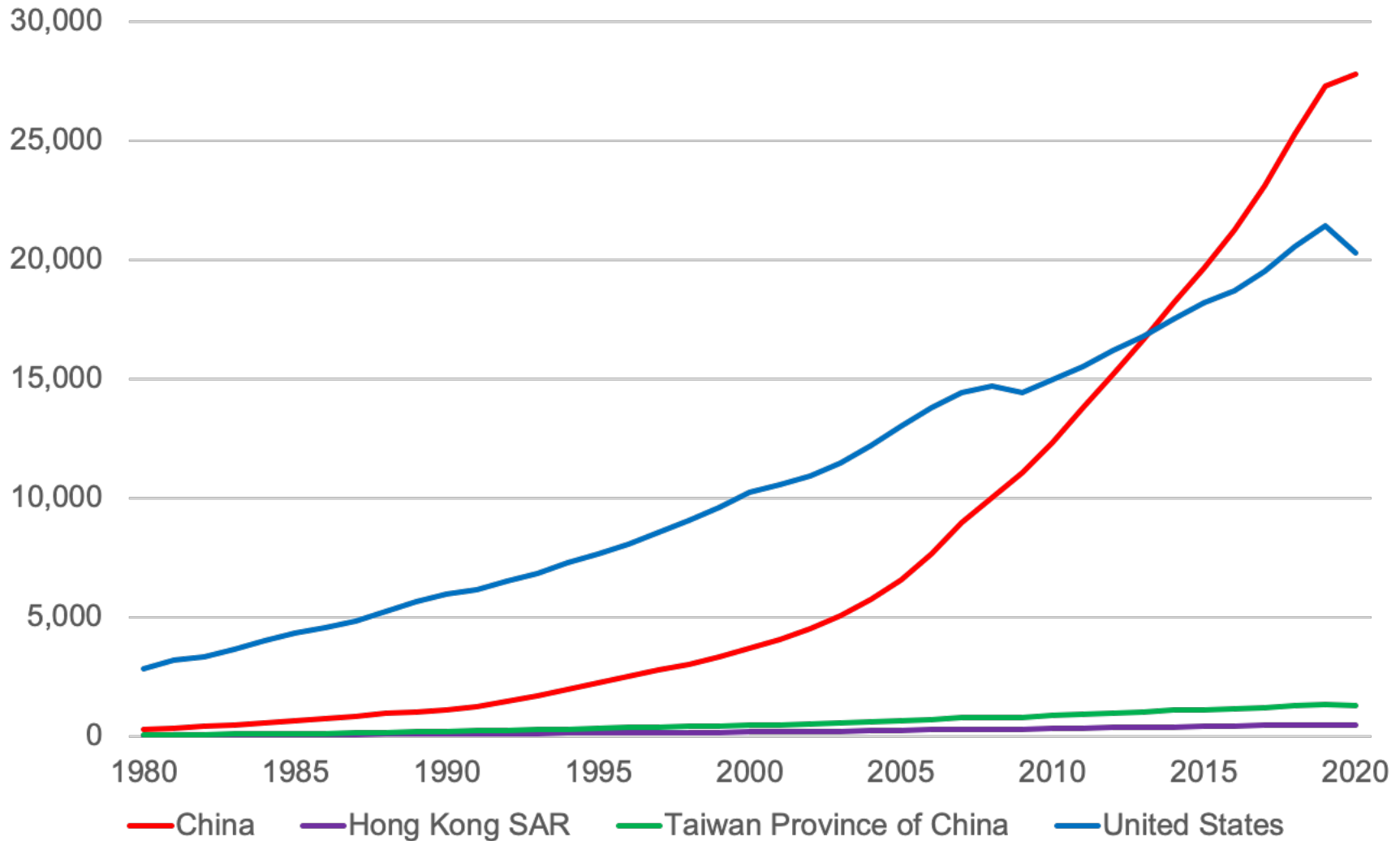
Why Greater China? (Meme #3: Inefficiency = Opportunity)



Source: <https://www.thejakartapost.com/life/2020/02/01/as-coronavirus-misinformation-spreads-on-social-media-facebook-removes-posts.html>

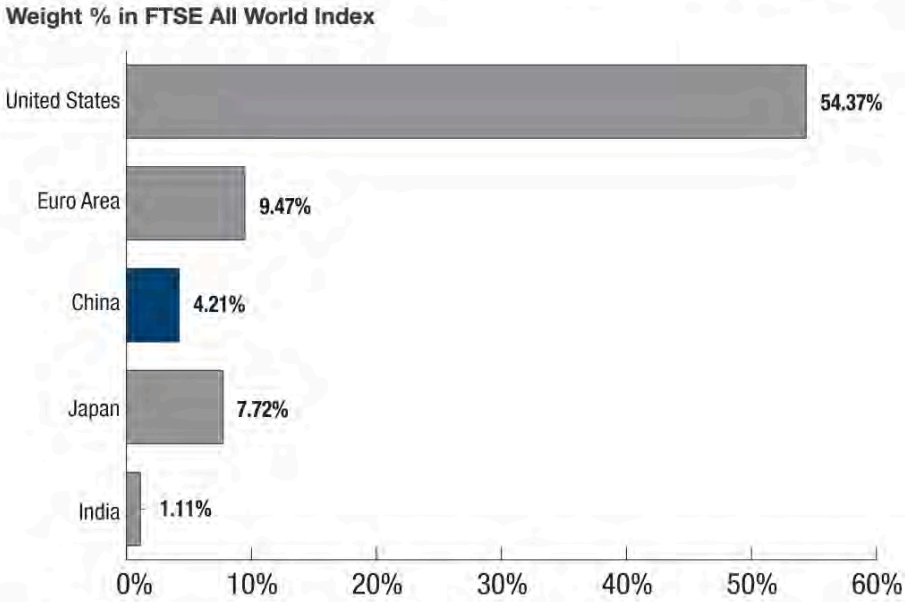
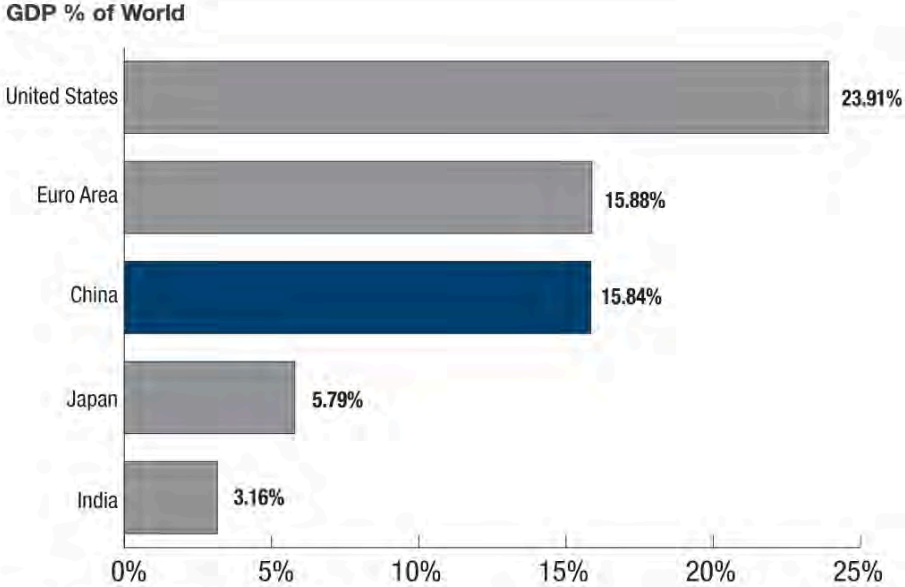
The official GDP numbers (PPP):

PPP GDP of Greater China vs the US, 1980-2020



Source: <https://www.imf.org/external/pubs/ft/weo/2020/01/weodata/download.aspx>

Even non-PPP GDP out of proportion with indices



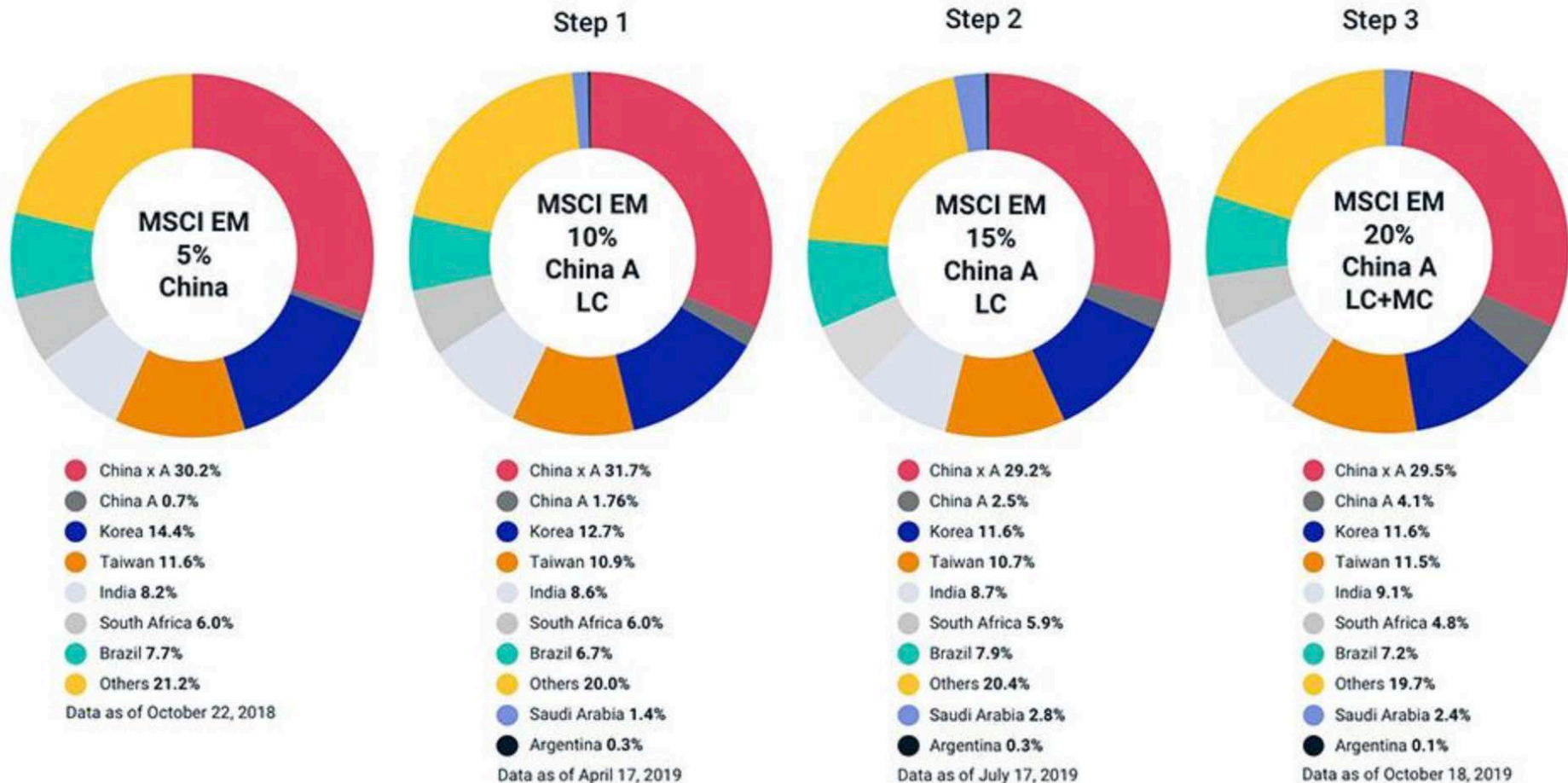
Source: World Bank

Source: <https://www.paceretfs.com/products/afty>



But for your EM fund, China is "Too Big to Ignore"

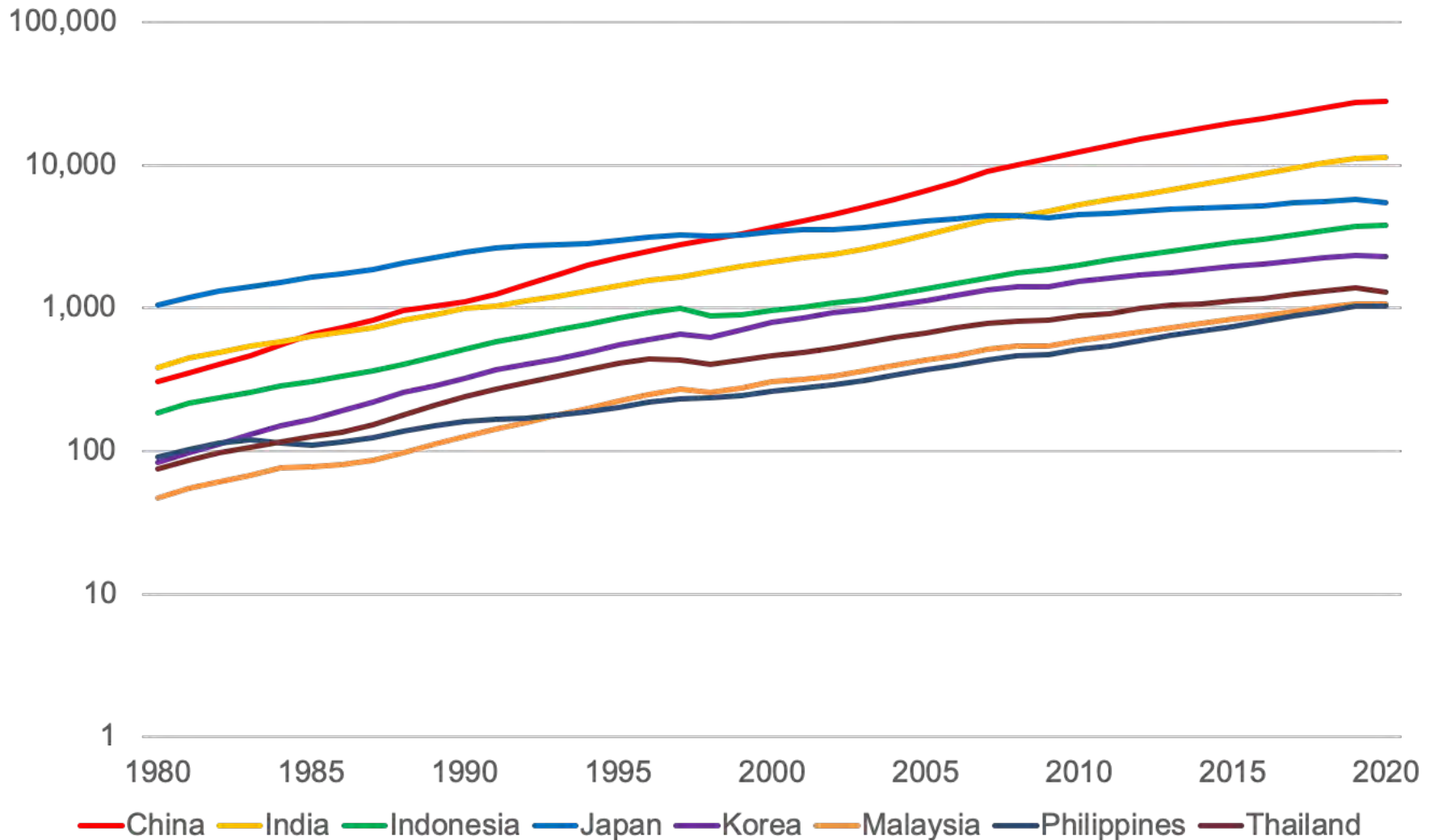
Pro-forma Weight in MSCI Emerging Markets Index



Source: <https://www.msci.com/china>

Official GDP numbers, part 2: Growth Rates v Asia

PPP GDP of Mainland China vs Other Asia Majors, 1980-2020

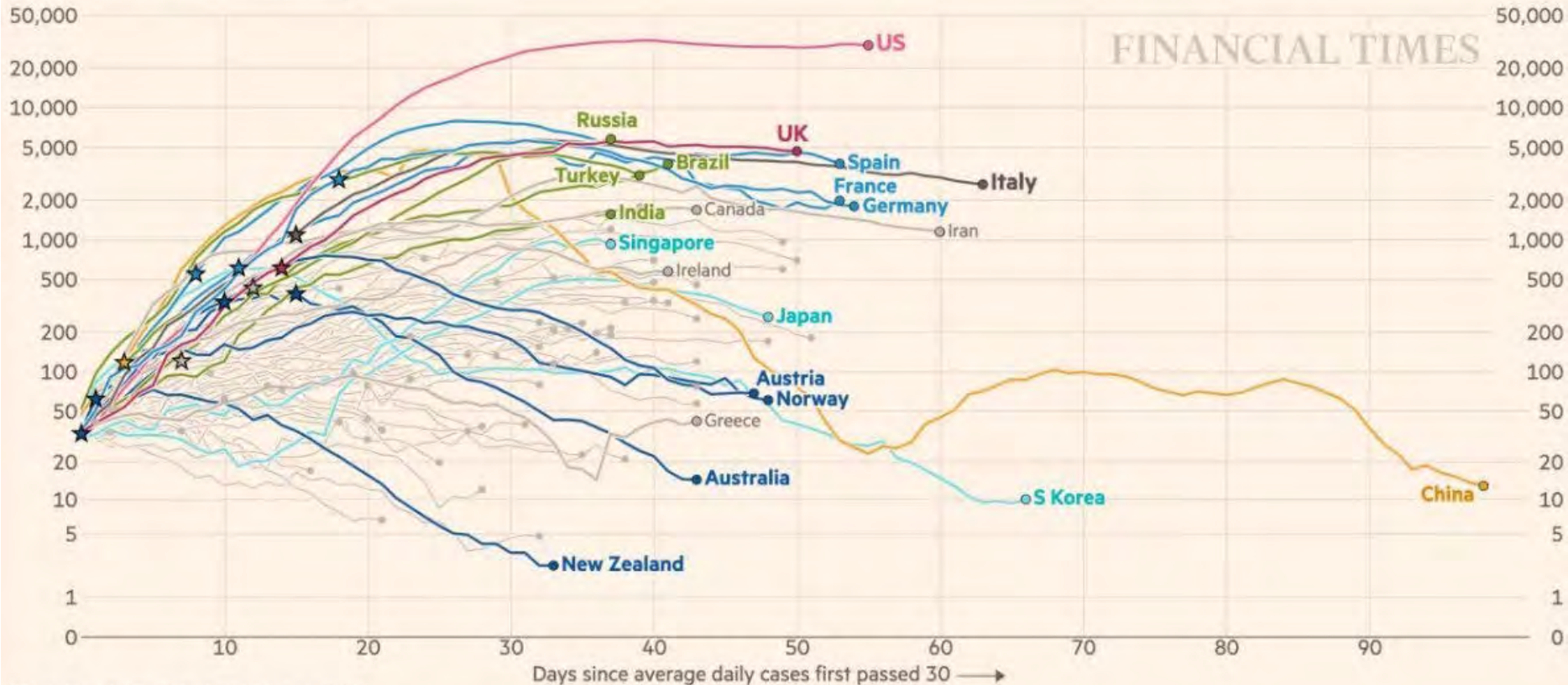


Source: <https://www.imf.org/external/pubs/ft/weo/2020/01/weodata/download.aspx>

China vs US Coronavirus Cases, As Of April

Several countries have turned the corner, with numbers of new cases now in decline

Daily confirmed cases (7-day rolling average), by number of days since 30 daily cases first recorded
Stars represent national lockdowns ★



FT graphic: John Burn-Murdoch / @burnmurdoch
Source: FT analysis of European Centre for Disease Prevention and Control; FT research. Data updated April 28, 17:12 BST

Source: <https://twitter.com/Noahpinion/status/1255990055107047424/photo/1>

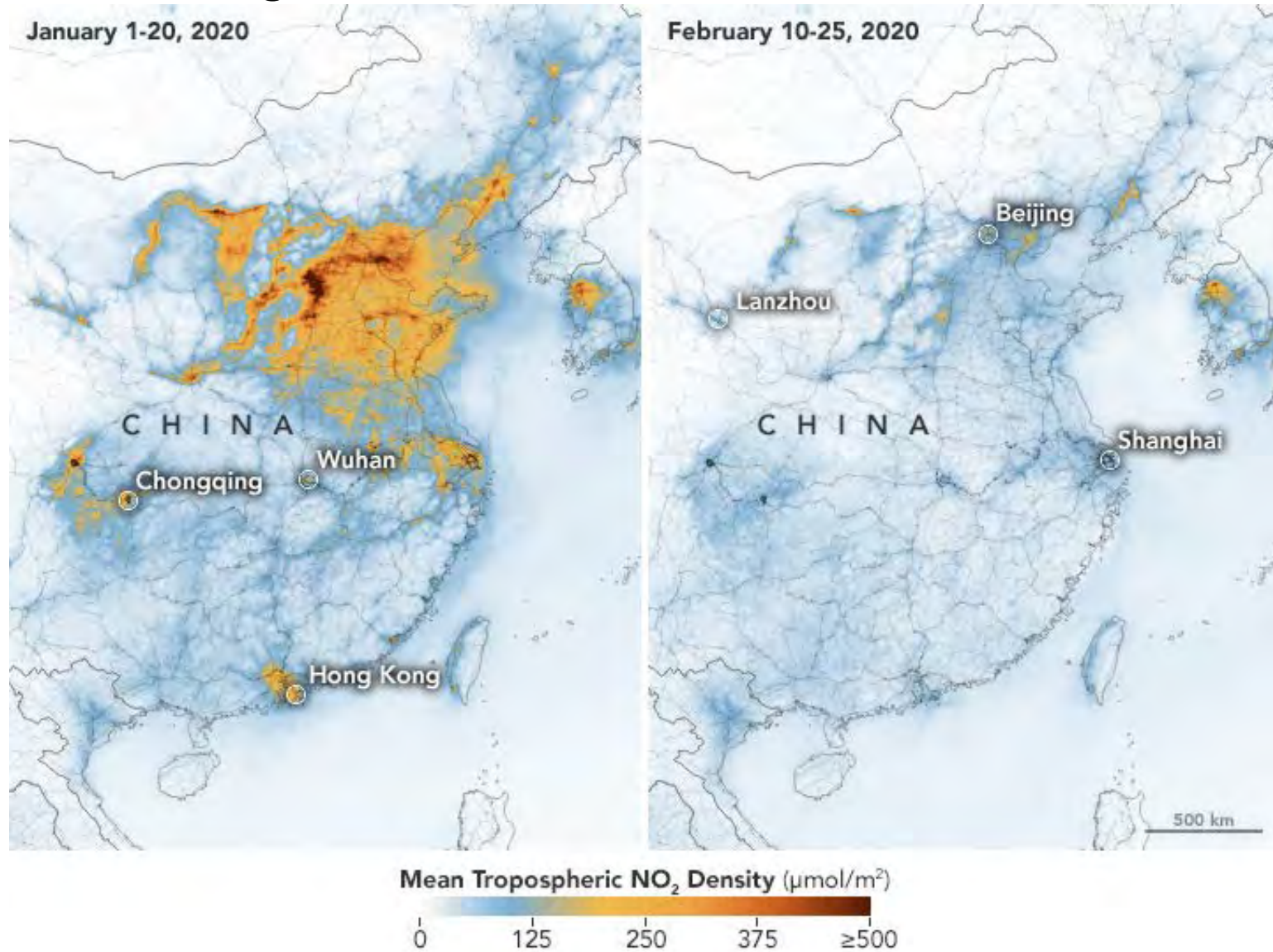
Alternative “Official” Data

- Reports of listed Chinese companies
 - Usual red flag checks
- Reports of trading partners
- Reports of foreign companies doing business in China
 - Apple, Starbucks, etc.

Even More Alternative Data

- “On the ground” surveys
 - In person
 - Phone/WeChat network
- Overseas purchases by Chinese (e.g. Vancouver apartments)
- Satellite images

Satellite images showed the Feb 2020 Shutdown



Source: <https://earthobservatory.nasa.gov/images/146362/airborne-nitrogen-dioxide-plumets-over-china>

What about the trade war?



Source: <https://abcnews.go.com/Politics/trump-claims-big-leap-forward-china-trade-talks/story?id=59575917>

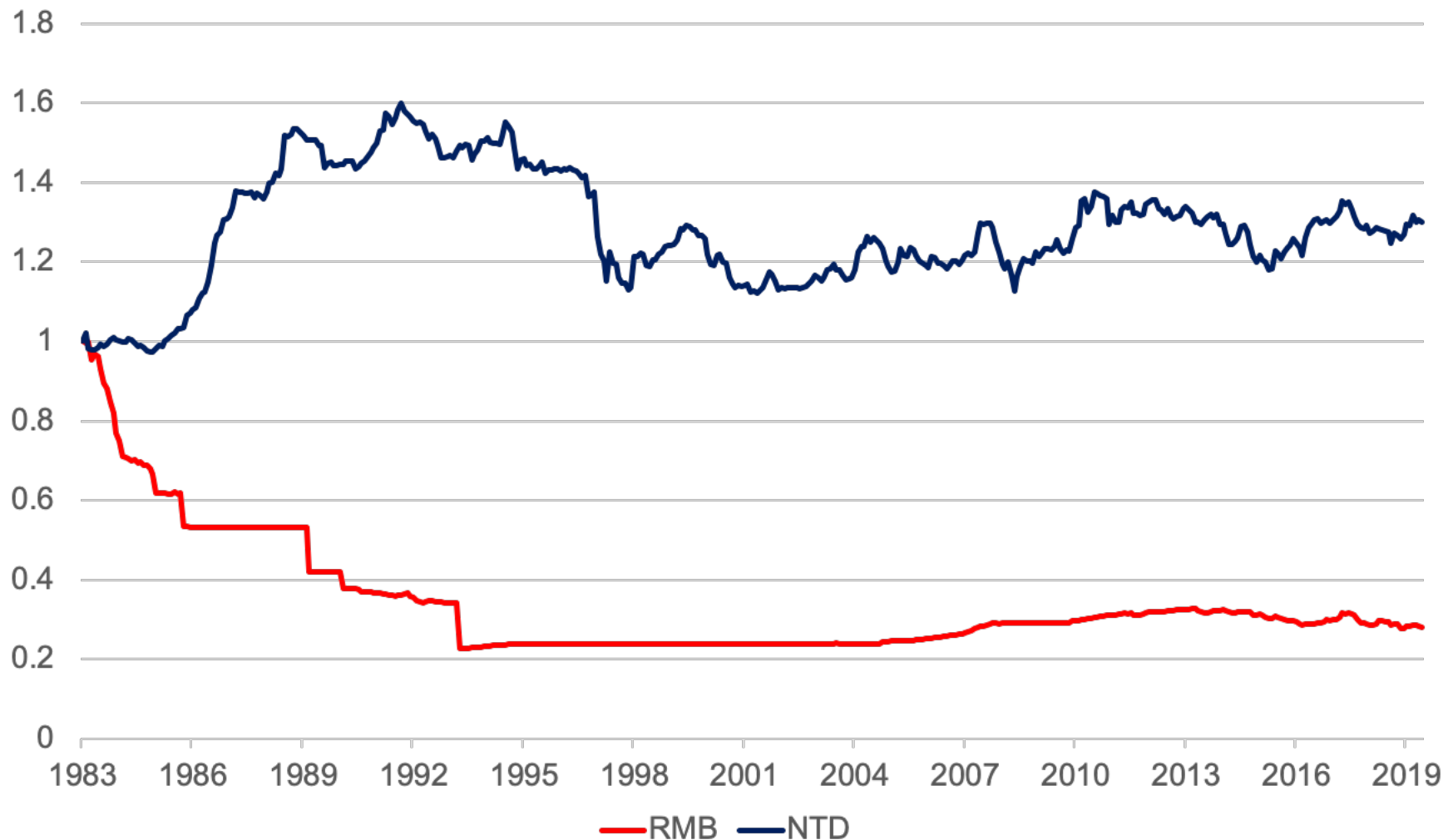
On the other front: Belt and Road...



Source: https://www.chinadailyasia.com/nation/2016-12/18/content_15544222.html

Currencies since 1983...

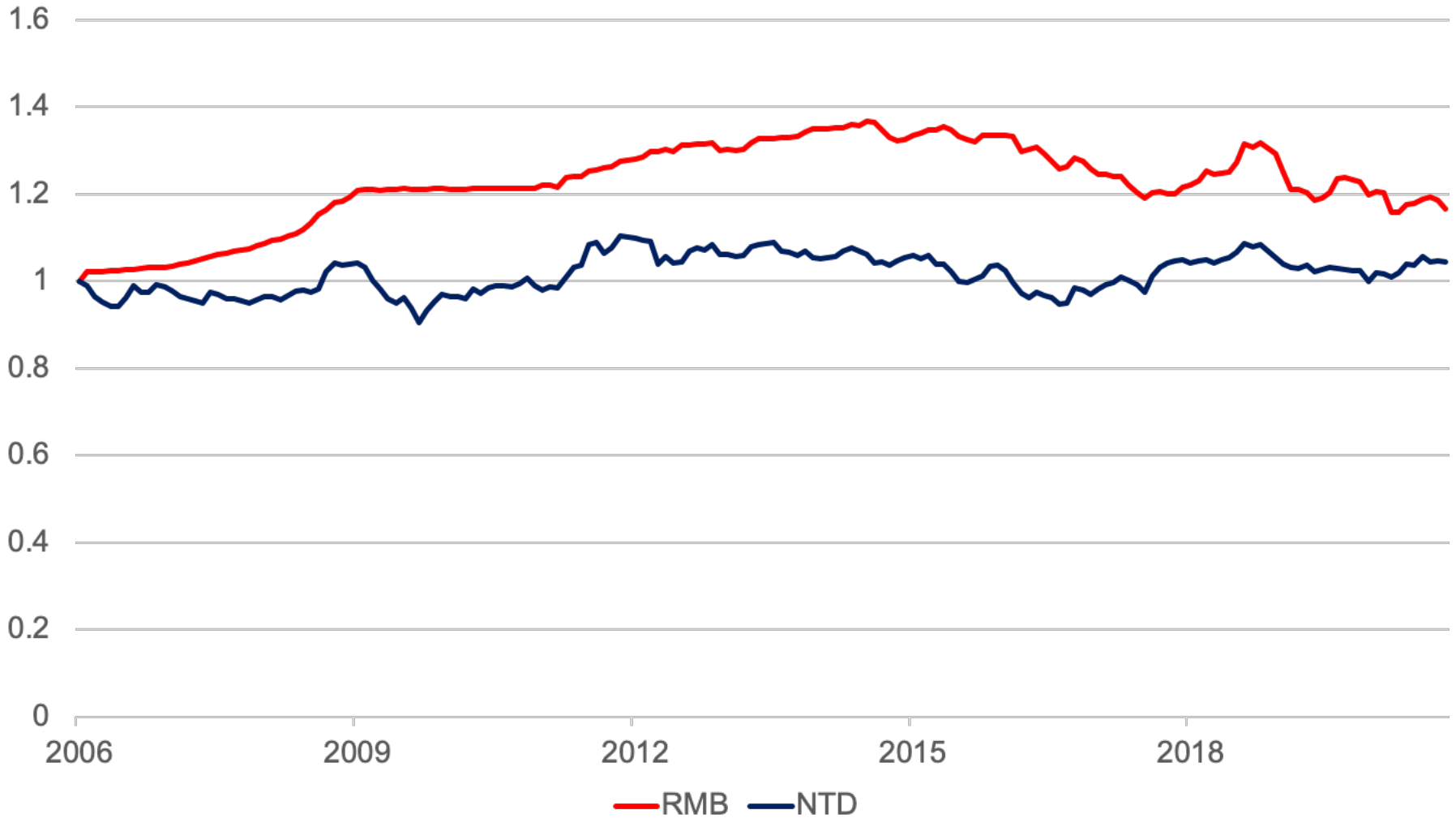
US\$1 to Chinese Yuan Renminbi vs New Taiwan Dollar, 1983-2020



Source: https://www.bis.org/statistics/full_data_sets.htm, NTD data 1949-1983 not available

... and since the 2005 RMB de-peg

US\$1 to Chinese Yuan Renminbi vs New Taiwan Dollar, 2006-2020



Source: https://www.bis.org/statistics/full_data_sets.htm

On to stocks, one map of “global China” equity benchmarks according to MSCI...

Key MSCI China Indexes	Domestic		Non-Domestic								
	Share Classes	China A	China H	China B	Red Chip	P Chip	HK	HSBC	Taiwan	US	SGP
Domestic China Index											
MSCI China A Index		•									
Non-domestic China Indexes											
MSCI China Index			•	•	•	•					
MSCI China H Index			•								
MSCI China B Index				•							
MSCI China Red Chip Index					•						
MSCI China P Chip Index						•					
MSCI China Free Index			•		•	•					
MSCI Hong Kong Index							•				
MSCI Overseas China Index										•	•
China Composite Indexes											
MSCI China A + H Index		•	•								
MSCI China A + B Index		•		•							
MSCI China A + B + H Index		•	•	•							
MSCI International China Index			•	•	•	•				•	•
MSCI China Free + Overseas China Index			•		•	•				•	•
MSCI Zhong Hua Index			•	•	•	•	•				
MSCI Zhong Hua + Overseas China Index			•	•	•	•	•			•	•
MSCI Zhong Hua + HSBC Index			•	•	•	•	•	•			
MSCI Golden Dragon Index			•	•	•	•	•		•		
MSCI Golden Dragon (A) Index		•	•	•	•	•	•		•		
MSCI Golden Dragon + Overseas China Index			•	•	•	•	•		•	•	•
MSCI All China Index		•	•	•	•	•				•	•
MSCI All China + Hong Kong + Taiwan Index		•	•	•	•	•	•		•	•	•

Source: <https://www.msci.com/documents/10199/c843449c-94e5-4a55-a606-fd0b7f234acb>

A-shares

Originally limited to
Mainland investors

Open to QFIIs in 2002

Open via Stock Connect
programs in 2014 (SH)
and 2016 (SZ)

Averaged 15-40%
premium over H since
2014

H-shares, Red Chips and P-Chips

25% of HK-listed
names, but 65% of
HK Market Cap

Open to Mainland via
QDII, then Stock
Connect

More ADR filings than A

Statistics on H vs A share markets

	Hong Kong Exchange (29/04/2020)		Shanghai Stock Exchange (30/04/2020)		Shenzhen Stock Exchange (30/04/2020)	
	Main Board	GEM	A Share	B Share	A Share	B Share
No. of listed companies	2,099	378	1,511	50	2,222	46
No. of listed H shares	261	21	n.a.	n.a.	n.a.	n.a.
No. of listed red-chips stocks	173	4	n.a.	n.a.	n.a.	n.a.
Total no. of listed securities	14,752	379	n.a.	n.a.	n.a.	n.a.
Total market capitalisation (Bil. dollars)	HKD 34,927	HKD 98	RMB 33,286	RMB 67	RMB 24,611	RMB 46
Total negotiable capitalisation (Bil. dollars)	n.a.	n.a.	RMB 28,721	RMB 67	RMB 19,183	RMB 46
Average P/E ratio (Times)	12.48	20.15	13.61	7.59	25.34	9.86
Total turnover (Mil. shares)	149,753	886	23,810	31	34,777	34
Total turnover (Mil. dollars)	HKD 86,086	HKD 192	RMB 260,243	RMB 154	RMB 402,588	RMB 89
Total market turnover (Mil. dollars)	HKD 86,278		RMB 277,665		RMB 402,677	

Source: <https://www.hkex.com.hk/eng/csm/highlight.htm>

<https://markets.ft.com/data/indices/tearsheet/summary?s=HSCAHPI:HKG>

HANG SENG CHINA AH PREMIUM INDEX

HSCAHPI:HKG

PRICE (USD)	TODAY'S CHANGE	SHARES TRADED	1 YEAR CHANGE	52 WEEK RANGE
127.58	↑ 2.02 / 1.61%	0.00	↑ 5.52%	112.75 - 128.48

Data delayed at least 15 minutes, as of Jun 20 2019 09:08 BST.

Summary

Charts

Historical prices

1D

3D

1W

1M

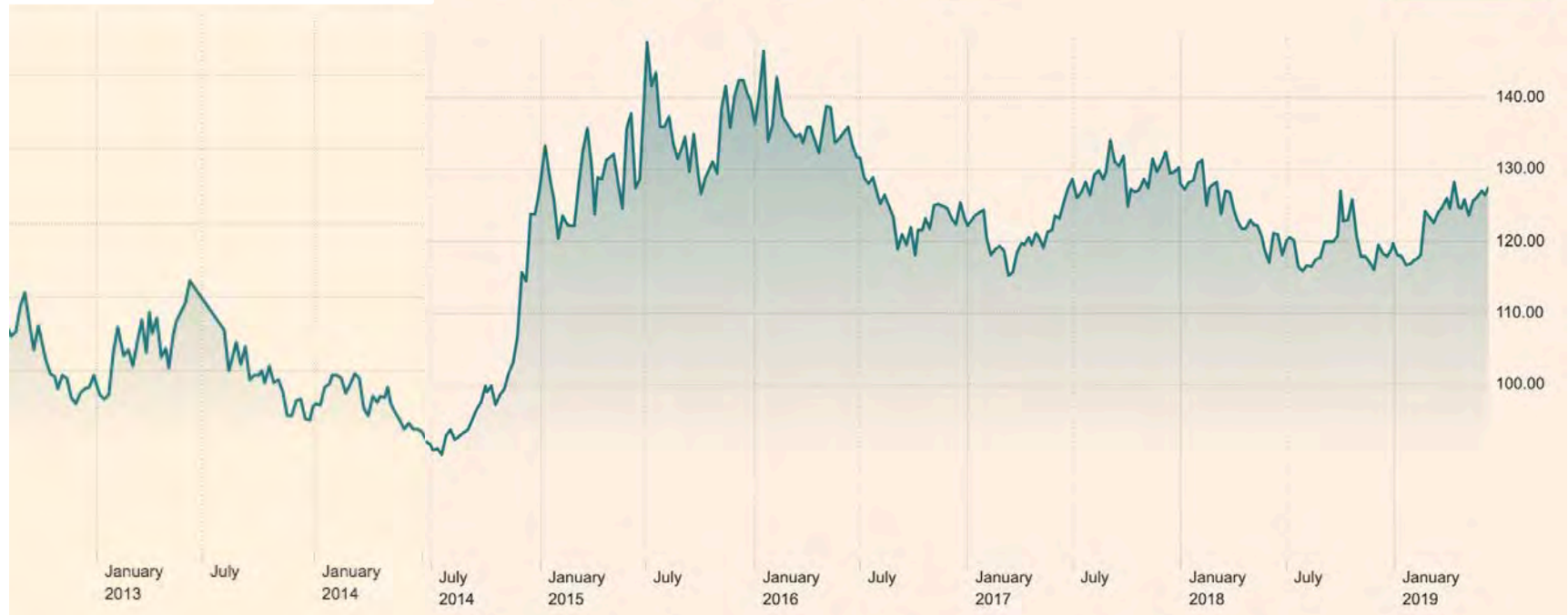
6M

1Y

3Y

5Y

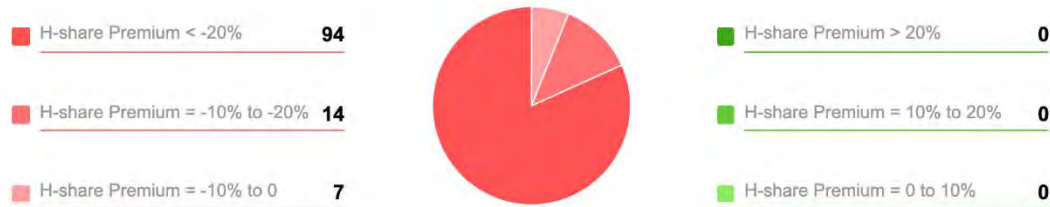
Comparisons >



Source: <https://markets.ft.com/data/indices/tearsheet/summary?s=HSCAHPI:HKG>

All Listed AH Shares SZ Listed AH Shares SH Listed AH Shares

AH Premium distribution chart ?

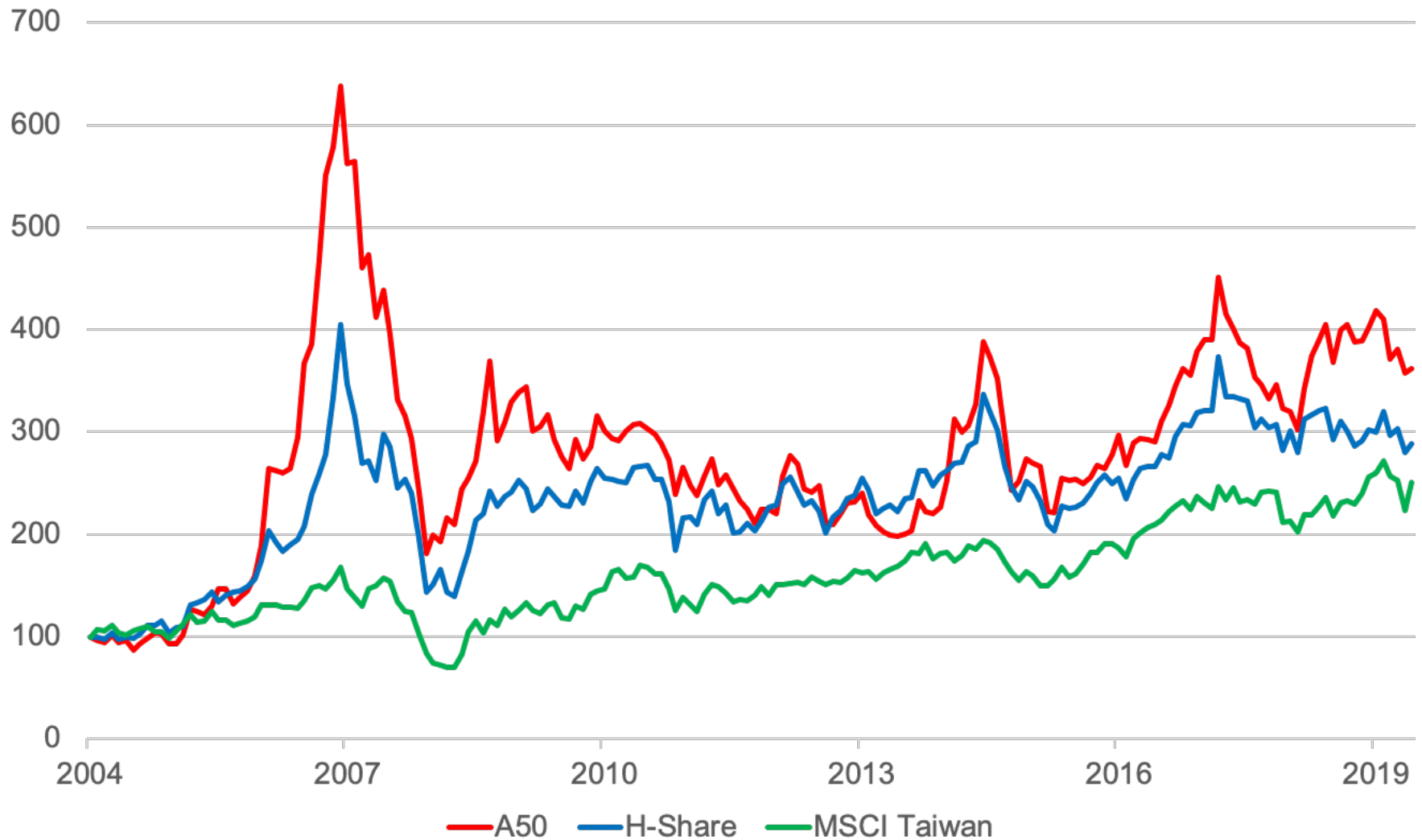


AH Shares	H Shares ¹			A Shares ²			H Shares VS. A Shares
Name	Symbol ▼	Last (HKD)	Change (%) ³ ▼	Symbol ▼	Last (RMB)	Change (%) ³ ▼	Premium (%) ⁴ ▲ ?
LUOYANG GLASS	01108.HK <small>LDON</small>	2.290	+2.691%	600876.SH <small>LDON</small>	13.12	+1.863%	-84.122%
ZHEJIANG SHIBAO	01057.HK <small>LDON</small>	0.750	0.000%	002703.SZ <small>LDON</small>	4.15	+3.234%	-83.560%
CSC	06066.HK <small>LDON</small>	7.160	-0.831%	601066.SH <small>5D Hi LDON</small>	34.99	+2.972%	-81.385%
SHANDONG MOLONG	00568.HK <small>LDON</small>	0.660	+1.538%	002490.SZ <small>LDON</small>	3.16	0.000%	-81.000%
LA CHAPELLE	06116.HK <small>LDON</small>	0.710	-5.333%	603157.SH <small>LDON</small>	3.08	+0.654%	-79.030%
FIRST TRACTOR	00038.HK <small>LDON</small>	1.710	-2.286%	601038.SH <small>LDON</small>	7.04	-1.538%	-77.904%
CC SECURITIES	01375.HK <small>LDON</small>	1.230	+0.820%	601375.SH <small>LDON</small>	4.71	+2.391%	-76.244%
NE ELECTRIC	00042.HK	0.400	0.000%	000585.SZ	1.36	0.000%	-73.244%
SINOPEC SSC	01033.HK <small>LDON</small>	0.560	0.000%	600871.SH <small>LDON</small>	1.88	+1.622%	-72.903%
CHALIECO	02068.HK <small>LDON</small>	1.290	+0.781%	601068.SH <small>LDON</small>	3.96	+1.538%	-70.366%
COMEC	00317.HK <small>LDON</small>	4.900	0.000%	600685.SH <small>LDON</small>	14.93	+10.022%	-70.144%

Source: <http://www.aastocks.com/en/stocks/market/ah.aspx?sort=5&order=1&filter=3>, 1 May 2020

Historic Performance of A50 vs H-Shares vs Taiwan

Total Return of \$100 Invested in A50 vs H-Share vs MSCI Taiwan



Source: Yahoo! Finance. 2823.HK used as proxy for A50, FXI for H-share, and EWT for MSCI Taiwan

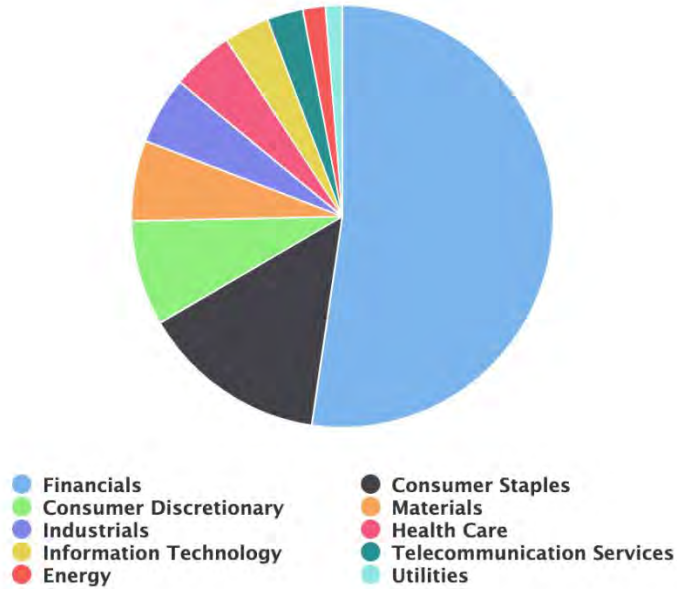
Gain Greater China Exposure through SGX



What's in the A50?

Sector Breakdown (%)

as of 3/31/2020



Index Characteristics

as of 3/31/2020

FTSE China A50 Index Characteristics	
Weighted Average Market Cap (\$mil)	87,529.14
Dividend Yield (%)	2.44
Price to Earnings Ratio (P/E)	10.19

Top 10 Index Holdings (%)

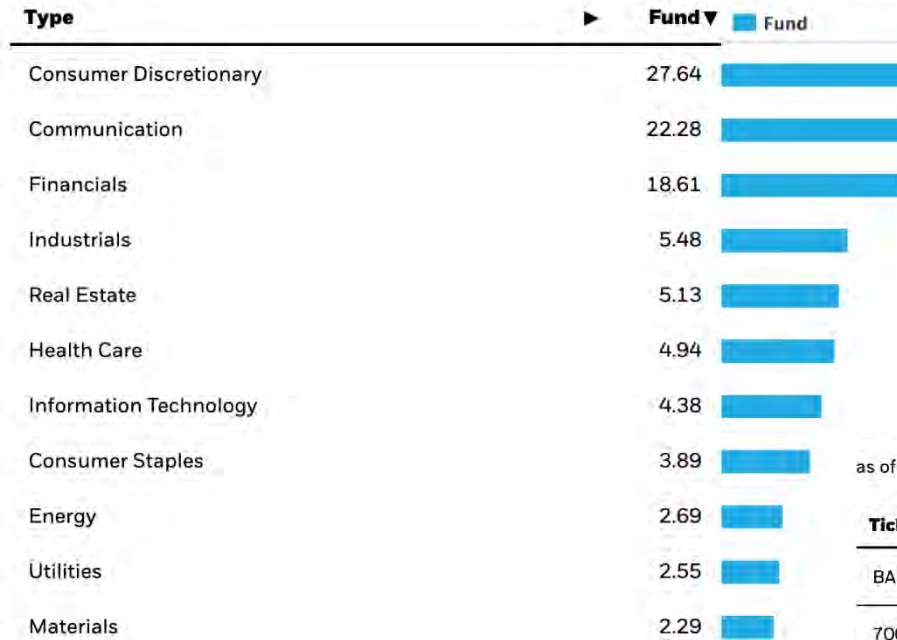
as of 05/01/2020

Ticker	Holding	Weight
601318 C1	PING AN INSURANCE	11.98
600519 C1	KWEICHOW MOUTAI	9.78
600036 C1	CHINA MERCHANTS BK	7.21
000858 C2	WULIANGYE YIBIN CO	4.17
000651 C2	GREE ELEC APPLICAN	4.07
601166 C1	IND BANK CO LTD	4.02
600276 C1	JIANGSU HENGRUI ME	3.30
600030 C1	CITIC SECURITIES	3.22
000002 C2	CHINA VANKE CO	3.03
600016 C1	CHINA MINSHENG BAN	2.85
	Total	53.63

Sector	Weight
Financials	52.32
Consumer Staples	14.29
Consumer Discretionary	8.05
Materials	6.17
Industrials	5.17
Health Care	4.75
Information Technology	3.49

Very different than MSCI China...

as of Apr 29, 2020



P/E Ratio ⓘ
as of Apr 29, 2020 **13.46**

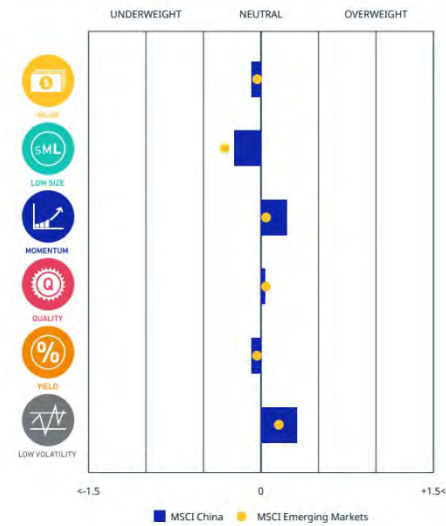
Equity Beta (3y) ⓘ
as of Mar 31, 2020 **0.93**

12m Trailing Yield ⓘ
as of Mar 31, 2020 **1.62%**

P/B Ratio ⓘ
as of Apr 29, 2020 **1.52**

Standard Deviation (3y) ⓘ
as of Mar 31, 2020 **20.06%**

30 Day SEC Yield ⓘ
as of Mar 31, 2020 **1.35%**



Source: MSCI

as of Apr 30, 2020

Ticker	Name	Sector	Location	Weight (%)
BABA	ALIBABA GROUP HOLDING ADR REPRESENTATIVE	Consumer Discretionary	China	17.02
700	TENCENT HOLDINGS LTD	Communication	China	14.91
939	CHINA CONSTRUCTION BANK CORP H	Financials	China	3.78
2318	PING AN INSURANCE (GROUP) CO OF CH	Financials	China	2.78
941	CHINA MOBILE LTD	Communication	China	2.38
1398	INDUSTRIAL AND COMMERCIAL BANK OF CHINA	Financials	China	2.11
JD	JD.COM ADR REPRESENTING INC	Consumer Discretionary	China	1.53
3988	BANK OF CHINA LTD H	Financials	China	1.46
BIDU	BAIDU ADR REPTG INC CLASS A	Communication	China	1.34
NTES	NETEASE ADR INC	Communication	China	1.18

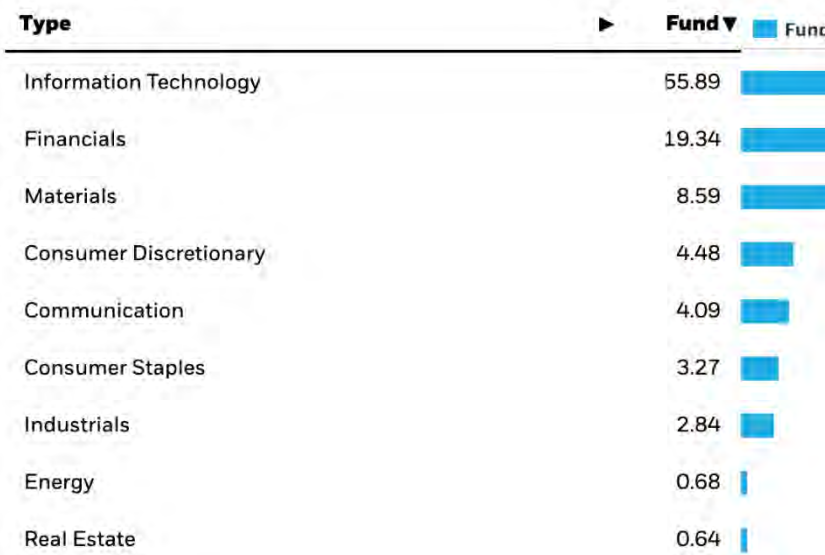
Source: <https://www.ishares.com/us/products/239619/ishares-msci-china-ef>



... or the more “hardware-oriented” MSCI Taiwan

as of Apr 29, 2020

% of Market Value



P/B Ratio ⓘ as of Apr 29, 2020	1.54
Standard Deviation (3y) ⓘ as of Mar 31, 2020	16.38%
30 Day SEC Yield ⓘ as of Mar 31, 2020	3.41%

P/E Ratio ⓘ as of Apr 29, 2020	14.77
Equity Beta (3y) ⓘ as of Mar 31, 2020	0.81
12m Trailing Yield ⓘ as of Mar 31, 2020	3.10%

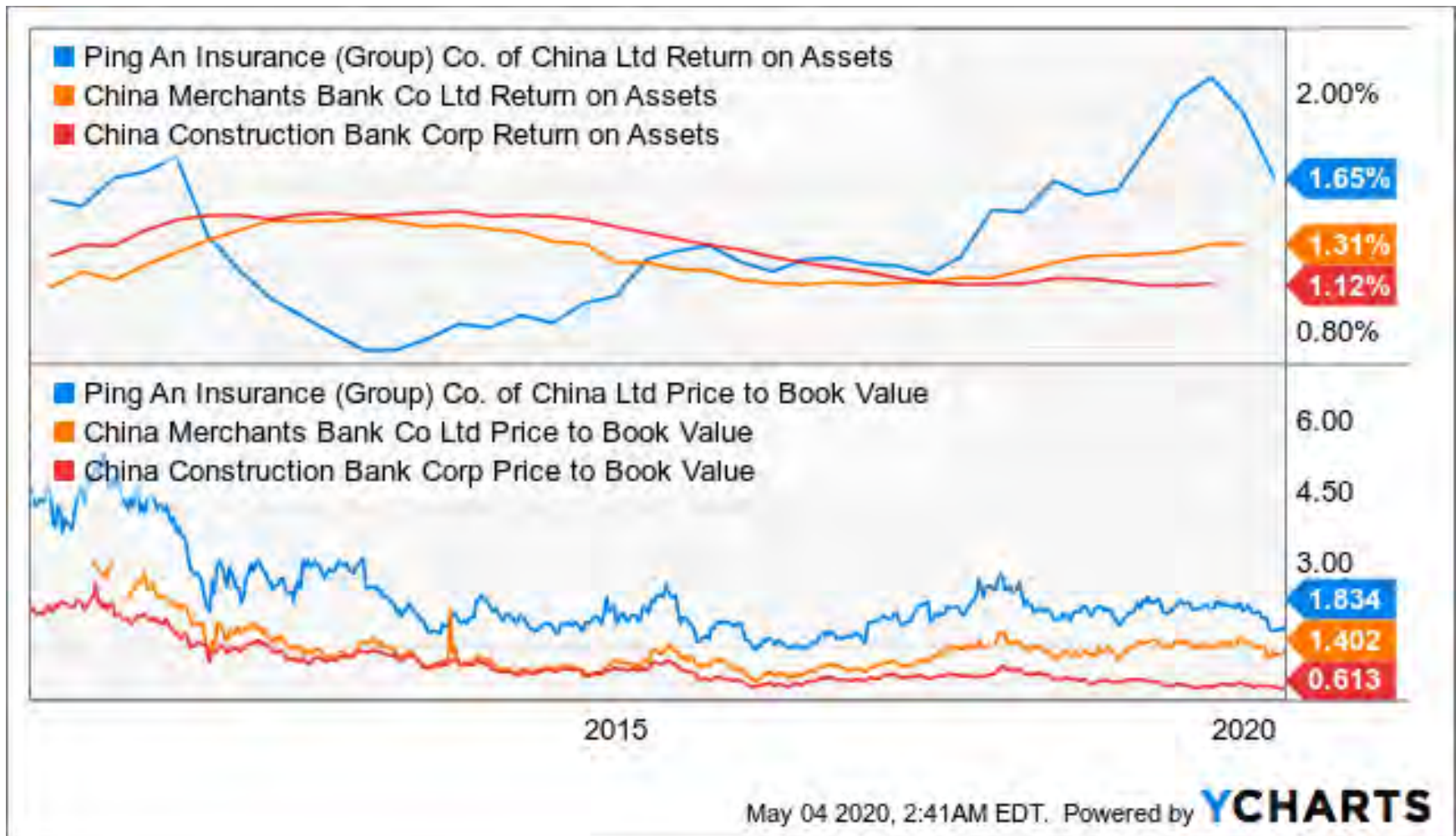
as of Apr 30, 2020

Ticker	Name	Sector	Location	Weight (%)
2330	TAIWAN SEMICONDUCTOR MANUFACTURING	Information Technology	Taiwan	22.66
2317	HON HAI PRECISION INDUSTRY LTD	Information Technology	Taiwan	5.35
2454	MEDIATEK INC	Information Technology	Taiwan	3.43
2412	CHUNGHWA TELECOM LTD	Communication	Taiwan	2.24
3008	LARGAN PRECISION LTD	Information Technology	Taiwan	2.24
1301	FORMOSA PLASTICS CORP	Materials	Taiwan	2.11
2891	CTBC FINANCIAL HOLDING LTD	Financials	Taiwan	2.01
1216	UNI-PRESIDENT ENTERPRISES CORP	Consumer Staples	Taiwan	1.86
2882	CATHAY FINANCIAL HOLDING LTD	Financials	Taiwan	1.85
1303	NAN YA PLASTICS CORP	Materials	Taiwan	1.83

Source: <https://www.ishares.com/us/products/239686/ishares-msci-taiwan-etf>



First, the financials...



Financials are a key risk to watch either way...



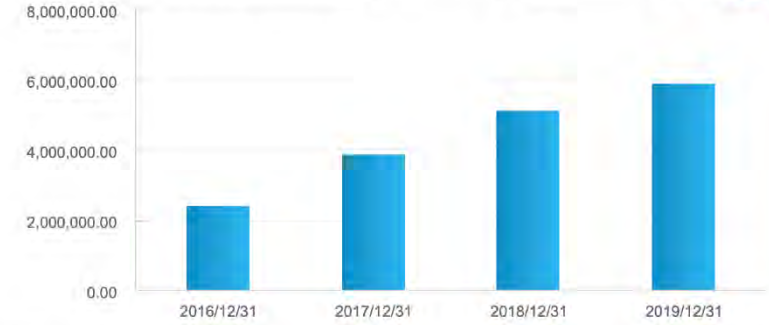
Source: Max Pixel

Liquor has been very profitable...

RT HK & CN **KWEICHOW MOUTAI** Last (CNY) 1,265.70 -9.20 (0.72%) 1,274.90
 600519 (600519.SH) Range 1,258.88 - 1,285.01
 Ba 600519.SH KWEICHOW MOUTAI Profit Loss Cash Flow Balance Sheet Earnings Summary Dividend H

Profit Loss Annual

Closing Date	2016/12/31	2017/12/31	2018/12/31	2019/12/31	Trend
Operating Income	4,015,508	6,106,276	7,719,938	8,885,434	
Operating Cost	1,588,946	2,212,275	2,586,474	2,981,225	
Operating Profit	2,426,563	3,894,001	5,134,299	5,904,149	



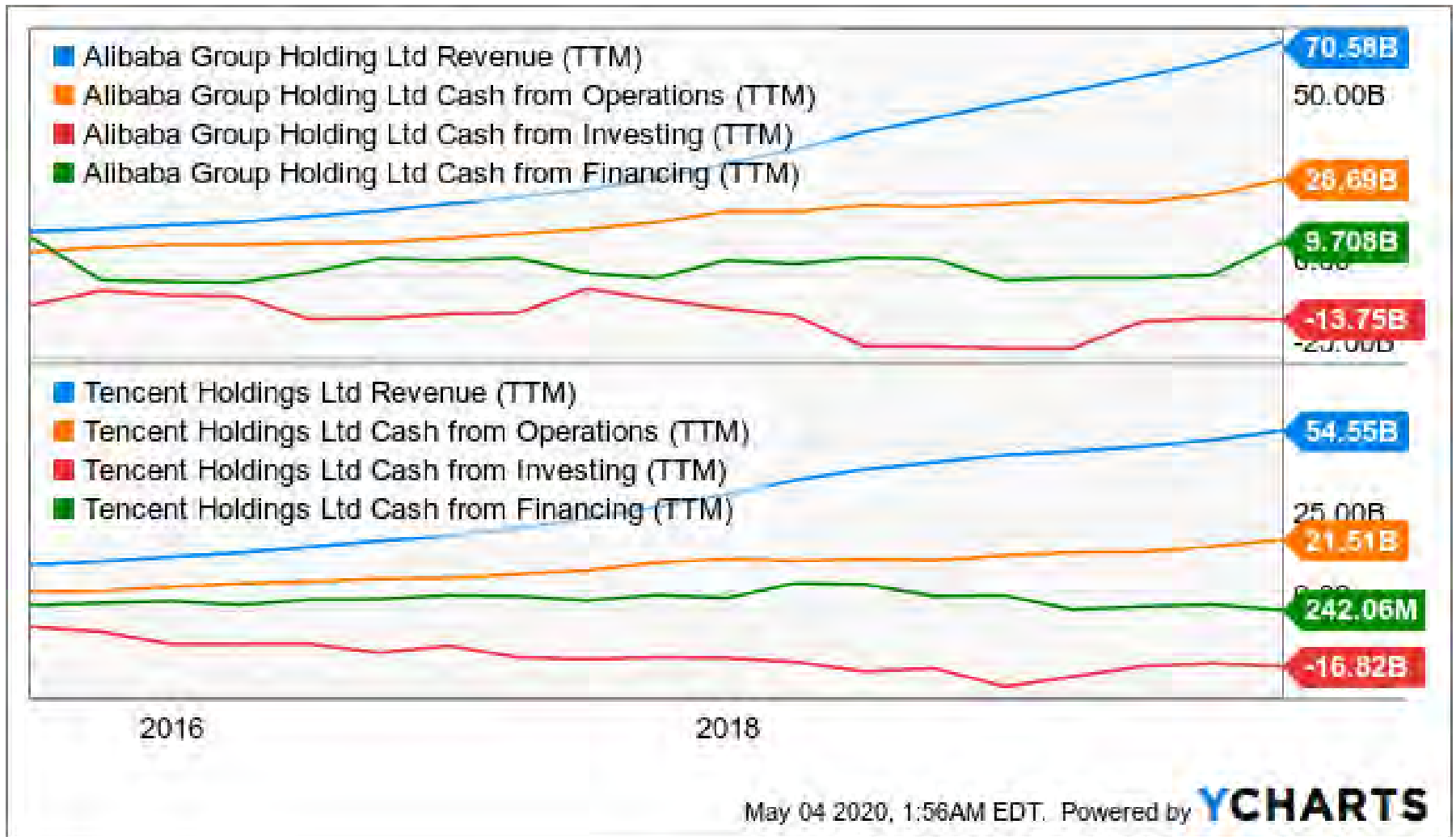
Investment Income	-	-	-	-
Net Non-operating Income and Expenditure	-30,774	-19,994	-51,538	-25,894
Total Profit	2,395,788	3,874,007	5,082,760	5,878,255
Net Profit Attributed to Parent Company	1,671,836	2,707,936	3,520,363	4,120,647
Operating Expense	168,105	298,607	257,208	327,899
Unit	10K	10K	10K	10K

Last Update: 2020/04/21



Source: Yahoo! Finance, AASTocks, HKAirportShop.com

Two largest tech giants of “BAT-J”



Taiwan Semi vs Intel Over The Past 20 Years...





Securities

Fixed Income

Derivatives

Indices

R

Home > Derivatives

Delayed Prices - Futures

Category	Contract	Trading
Equity Index ▾	CN - SGX FTSE China A50 Index Futures	T

Show TAIC trades

Session	Month	Last	Bid Size	Bid	Ask	Ask Size	Total Vol...	Open Int...
T	May 2020	12,835.00	11	12,835.00	12,837.50	25	71,886	627,654
T	Jun 2020	12,690.00	25	12,702.50	12,710.00	61	315	1,446
T	Jul 2020	12,650.00	1	12,482.50	12,625.00	2	10	-
T	Sep 2020	12,400.00	1	12,400.00	12,492.50	1	22	945
T	Dec 2020	12,415.00	1	12,400.00	12,462.50	1	25	111
T	Mar 2021	-	1	12,237.50	12,587.50	1	0	-

Order Confirmation

FTSE/Xinhua China A50

Financial Instrument	Bid	Ask	Last
XINA50 ∞ May28'20 @SGX	◆ 12852.50	12855.00 ◆	◆ 12855.00

Order Description

SELL 1

Order Type LMT Routing SGX Time in Force DAY
 Limit Price 12885.00 Clearing IB

Messages

You are trying to submit an order without having market data for this instrument. IB strongly recommends against this kind of blind trading which may result in erroneous or unexpected trades.

Amount

Amount	12,885 USD
Commission (est.)	1.51 USD
Total	12,883.49 USD

Margin Impact (in USD)

	Current	Change	Post-trade*
Equity with Loan	107,711	-2	107,710
Initial Margin	63,579	3,213	66,792
Maintenance Margin	53,297	2,570	55,868
Position	0	-1	-1

*This is a current projection and is subject to change.

Don't display this message again.

Override and Transmit

Cancel

Why Buy

- USD hedged, capital efficient offshore access to A-shares
- Significant roll yield ~6-8%
- Simplify dividend / corporate action handling
- Bet on widening of A-H premium

Why Sell

- Short beta hedge for an A-share portfolio
- Offset China exposure in EM portfolio
- Hedge out Mainland China financials or liquor exposure
- Bet on narrowing of A-H premium



Securities

Fixed Income

Derivatives

Indices

Home > Derivatives

Delayed Prices - Futures

Category: Equity Index ▼ Contract: NCH - SGX MSCI China NTR Index Futures × Trading: T

Show TAIC trades

Session	Month	Last	Bid Size	Bid	Ask	Ask Size	Total Vol...	Open Int...
T	May 2020	-	40	835.1000	836.9000	30	0	15
T	Jun 2020	835.0000	80	835.6000	836.8000	2	77	43,757
T	Jul 2020	-	20	835.8000	839.0000	20	0	-
T	Aug 2020	-	0	-	-	0	0	-
T	Sep 2020	837.8000	20	836.6000	838.8000	10	6	12
T	Oct 2020	-	0	-	-	0	0	-
T	Nov 2020	-	0	-	-	0	0	-
T	Dec 2020	-	0	-	-	0	0	7,521

Order Confirmation

MSCI China Free Net Total Return (USD) Index

Financial Instrument	Bid	Ask	Last
M1CNX ∞ Jun19'20 @SGX	836.20	837.30	835.00

Order Description

SELL 1

Order Type LMT Routing SGX Time in Force DAY
 Limit Price 848.00 Clearing IB

Messages

You are trying to submit an order without having market data for this instrument. IB strongly recommends against this kind of blind trading which may result in erroneous or unexpected trades.

Amount		Margin Impact (in USD)			
			Current	Change	Post-trade*
Amount	42,400 USD	Equity with Loan	108,145	-2	108,143
Commission (est.)	1.95 USD	Initial Margin	63,565	10,458	74,023
Total	42,398.05 USD	Maintenance Margin	53,286	8,366	61,652
		Position	0	-1	-1

*This is a current projection and is subject to change.

Don't display this message again.

Override and Transmit

Cancel

Why Buy

- USD denominated, capital efficient access to the benchmark MSCI China index
- Net dividends priced in
- Spread trade vs A50, bet on narrowing of A-H premium

Why Sell

- Short beta hedge for portfolio of China A+N shares
- Offset China exposure in EM portfolio
- Hedge out BAT-J exposure



Securities

Fixed Income

Derivatives

Indices

Home > Derivatives

Delayed Prices - Futures

Category: Equity Index ▼ Contract: TW - SGX MSCI Taiwan Index Futures ✕ Trading: T

Show TAIC trades

Session	Month	Last	Bid Size	Bid	Ask	Ask Size	Total Vol...	Open Int...
T	May 2020	404.10	12	404.00	404.10	15	49,830	154,171
T	Jun 2020	400.60	5	399.00	405.00	4	14	44
T	Jul 2020	-	0	-	-	0	0	-
T	Sep 2020	-	1	389.00	396.10	1	0	5
T	Dec 2020	-	2	384.30	397.20	1	0	-
T	Mar 2021	-	2	360.10	418.30	5	0	-

After hours:

Session	Month	Last	Change	% Chan...	Bid Size	Bid	Ask	Ask Size	Open	High	Low	Screen ..
T	May 2020	407.00	+2.90	0.72	1	406.90	407.00	2	407.40	409.70	405.20	27,549
T+1	May 2020	407.50	-	-	13	407.50	407.60	67	407.20	407.80	406.90	777
T	Jun 2020	402.80	+2.60	0.65	1	401.10	405.40	2	404.00	405.40	401.40	22
T+1	Jun 2020	403.40	-	-	12	402.70	403.60	1	402.60	403.40	402.60	7



Order Confirmation

MSCI Taiwan Index

Financial Instrument	Bid	Ask	Last
STW May28'20 @SGX	◆ 405.20	405.40 ◆	◆ 405.30

Order Description

SELL 1

Order Type LMT Routing SGX Time in Force DAY
Limit Price 414.40 Clearing IB

Messages

You are trying to submit an order without having market data for this instrument. IB strongly recommends against this kind of blind trading which may result in erroneous or unexpected trades.

Amount

Amount 41,440 USD
Commission (est.) 1.85 USD
Total 41,438.15 USD

Margin Impact (in USD)

	Current	Change	Post-trade*
Equity with Loan	107,765	-2	107,763
Initial Margin	63,580	7,598	71,177
Maintenance Margin	53,298	6,078	59,376
Position	0	-1	-1

*This is a current projection and is subject to change.

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Override and Transmit

Cancel

DATA POWERED BY 

Why Buy

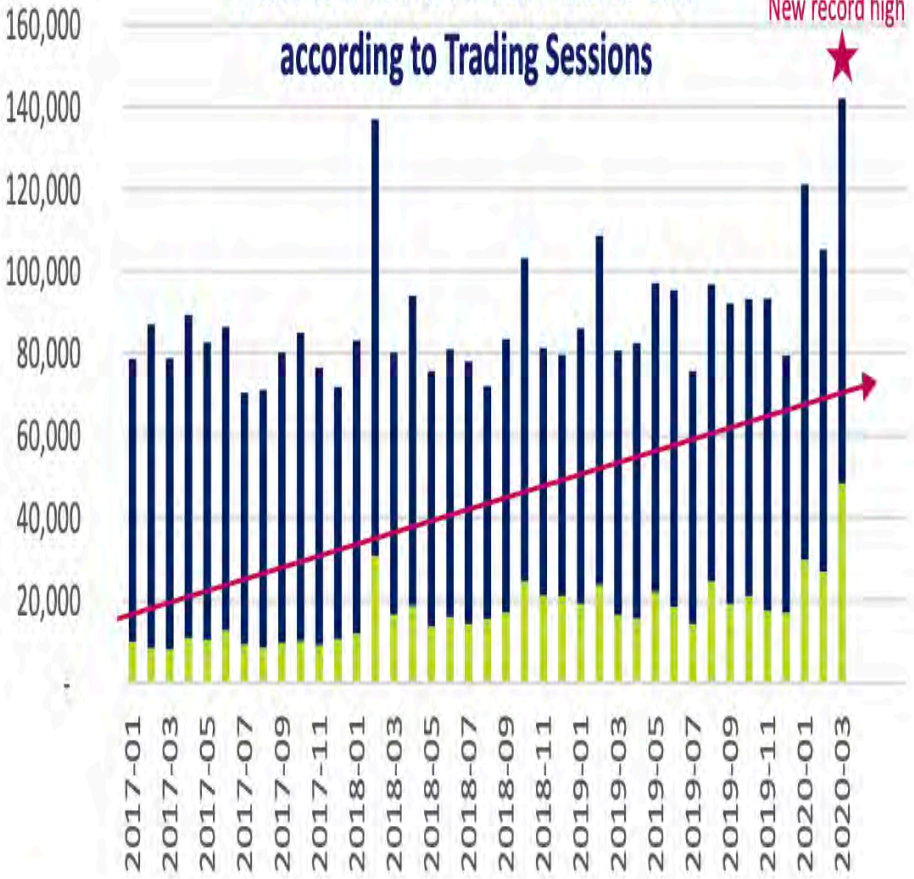
- USD hedged, capital efficient offshore access to MSCI Taiwan
- Significant roll yield
- Simplify dividend / corporate action handling
 - No WHT like with EWT
- Capture Taiwan's recovery relative to Mainland China

Why Sell

- Short beta hedge for TSM or Taiwan single stock portfolio
- Bet against hardware
- Bet that Taiwan will underperform the mainland or other EMs

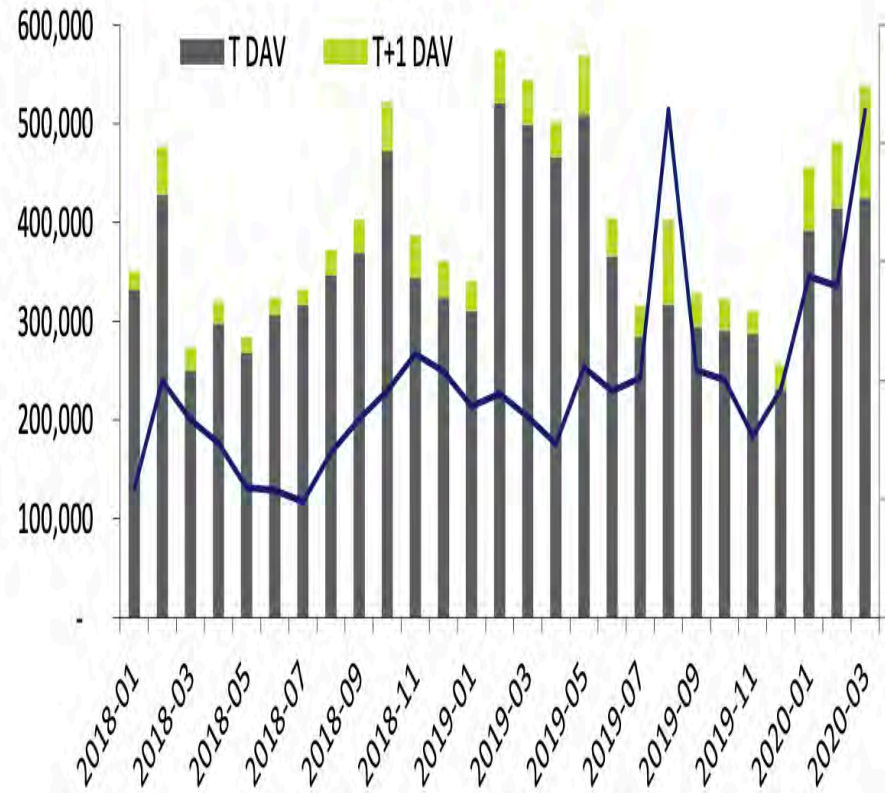
A50 and MSCI TW Increasingly Traded After Hours...

SGX MSCI Taiwan Index Futures DAV according to Trading Sessions



■ MSCI Taiwan Index Futures DAV in T session ■ MSCI Taiwan Index Futures DAV in T+1 session

3 SGX FTSE China A50 Futures T+1 Monthly DAV reached all time high of 115k lots in Mar 2020*



Show TAIC trades

Session	Month	Last	Bid Size	Bid	Ask	Ask Size	Total Vol...	Open Int...
T	May 2020	7.1399	5	7.1400	7.1403	5	3,743	3,451
T	Jun 2020	7.1450	6	7.1446	7.1450	2	5,303	44,489
T	Jul 2020	7.1499	10	7.1499	7.1506	3	209	1,101
T	Aug 2020	-	10	7.1552	7.1578	10	0	92
T	Sep 2020	7.1617	1	7.1617	7.1623	10	254	9,903
T	Oct 2020	-	0	-	-	0	0	-
T	Nov 2020	-	0	-	-	0	0	-
T	Dec 2020	7.1810	11	7.1783	7.1804	1	29	2,409
T	Jan 2021	-	0	-	-	0	0	-
T	Feb 2021	-	0	-	-	0	0	-
T	Mar 2021	-	10	7.1980	7.2012	10	0	207
T	Apr 2021	-	0	-	-	0	0	-
T	May 2021	-	0	-	-	0	0	-
T	Jun 2021	-	10	7.2203	7.2243	10	0	269
T	Sep 2021	7.2459	10	7.2427	7.2482	10	1	65
T	Dec 2021	-	8	7.2338	7.3058	8	0	78

Order Confirmation

SGX US Dollar in offshore Chinese Renminbi (CNH)

Financial Instrument	Bid	Ask	Last
UC ∞ Jun15'20 @SGX	7.1452	7.1456	7.1453

Order Description

SELL 1

Order Type LMT Routing SGX Time in Force DAY
 Limit Price 7.1700 Clearing IB

Messages

The estimated order value of 717,000 CNH exceeds the value limit of 100,000 USD.

Change the limit to

You are trying to submit an order without having market data for this instrument. IB strongly recommends against this kind of blind trading which may result in erroneous or unexpected trades.

Amount		Margin Impact (in USD)			
Amount			Current	Change	Post-trade*
	717,000 CNH	Equity with Loan	107,755	-1	107,754
Commission (est.)	10.55 CNH	Initial Margin	63,580	18,771	82,351
Total	716,989.45 CNH	Maintenance Margin	53,298	15,017	68,315
		Position	0	-1	-1

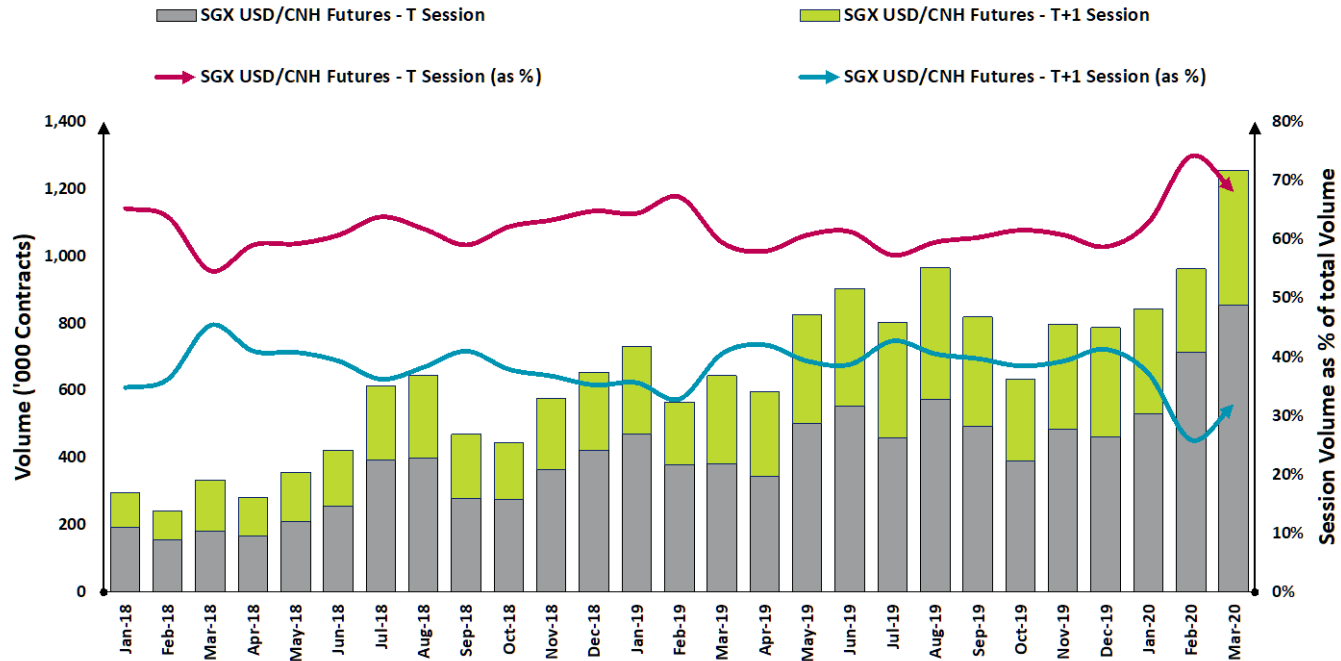
*This is a current projection and is subject to change.

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Also after hours...

Liquidity profile for USD/CNH

Volume Across Sessions



SGX USD/CNH Futures enjoy good liquidity even after Asian hours, with 35% of volume traded during T+1 session (continuous matching from 6.15pm to 5.15am next day Singapore time) over the past 6 months.



Why Buy

- Hedge RMB-denominated bond, pension, or other future flow into USD
- Hedge USD/CNH basis between A-shares vs A50 futures
- Bet on devaluation of RMB beyond the $<1\%$ /year implied by the futures

Why Sell

- Hedge USD-denominated bond, pension, or other future flow into RMB
- Hedge value of USD trade or commodity receivables
- Bet that the USD will devalue against the RMB
- Earn the slightly higher RMB interest rate (taking the risk of devaluation)



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Questions?



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