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SGX – Singapore Exchange

Is the Tide Turning for Asian FX?

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PZH Consultants

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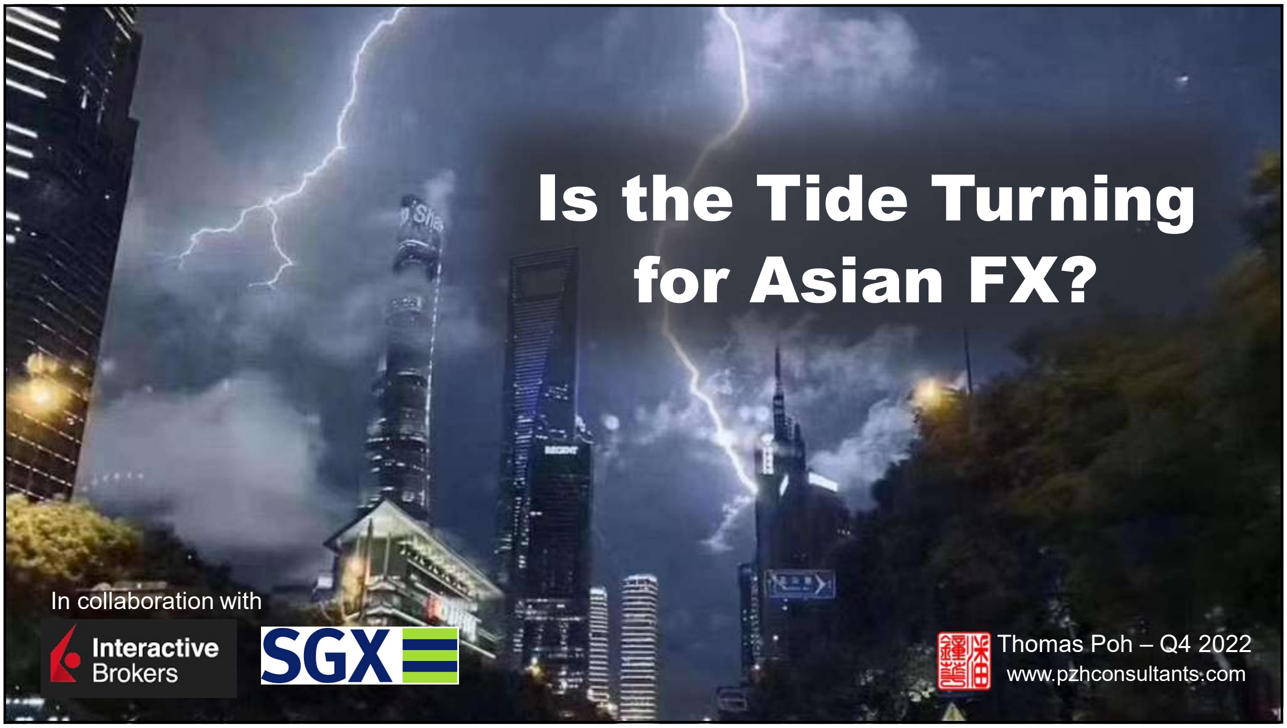

Disclaimer

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Inflation… the Hottest Topic in town… …

Source: Bloomberg

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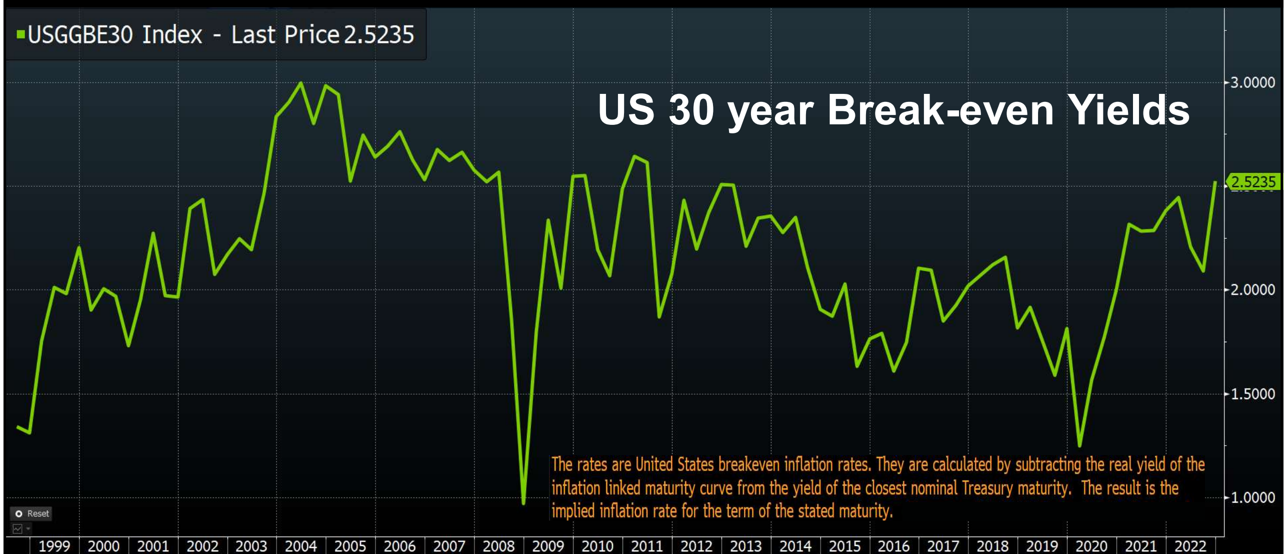
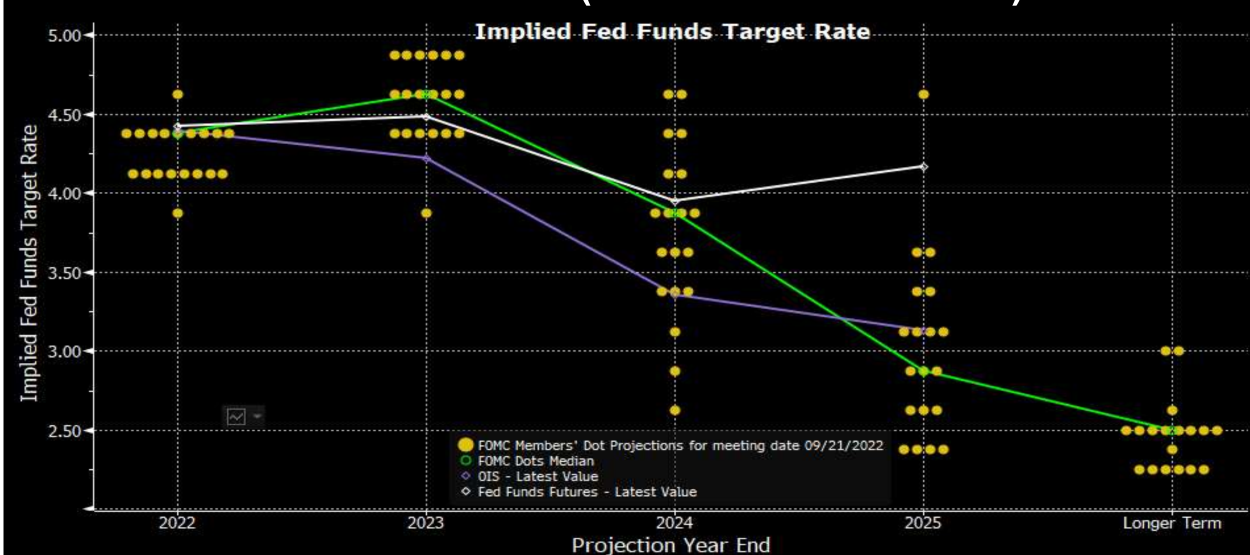
Long Term Inflation Expectations are Rising



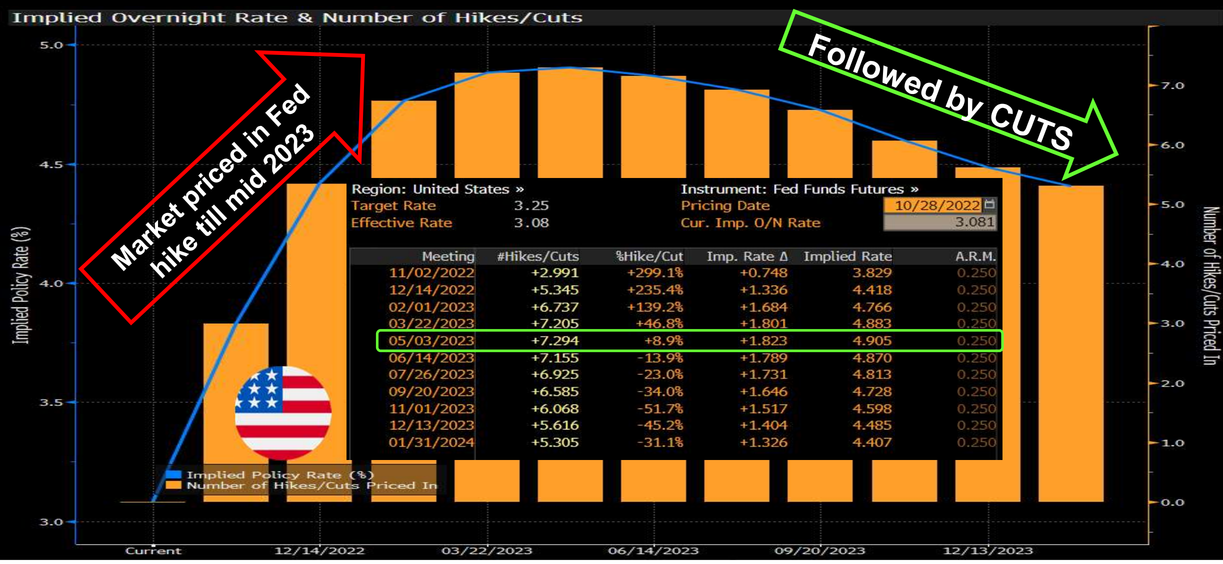
Source: Bloomberg

What the FED thinks… …(aka the FED Dot Plot)



Source: Bloomberg

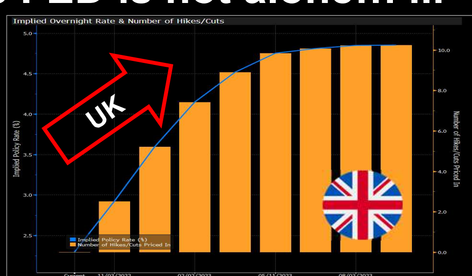
What the Market thinks… …

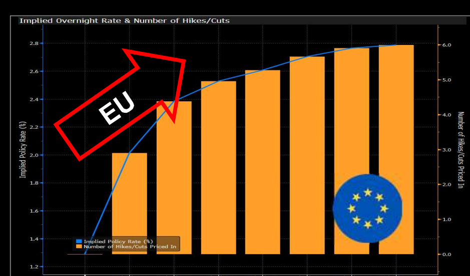


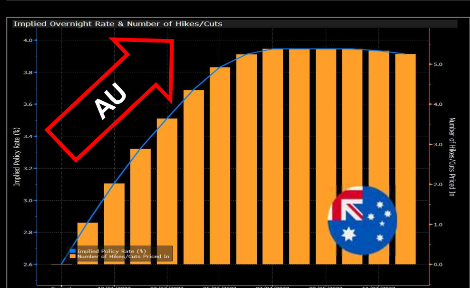
Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate	A.R.M.
11/02/2022	+2.991	+299.1%	+0.748	3.829	0.250
12/14/2022	+5.345	+235.4%	+1.336	4.418	0.250
02/01/2023	+6.737	+139.2%	+1.684	4.766	0.250
03/22/2023	+7.205	+46.8%	+1.801	4.883	0.250
05/03/2023	+7.294	+8.9%	+1.823	4.905	0.250
06/14/2023	+7.155	-13.9%	+1.789	4.870	0.250
07/26/2023	+6.925	-23.0%	+1.731	4.813	0.250
09/20/2023	+6.585	-34.0%	+1.646	4.728	0.250
11/01/2023	+6.068	-51.7%	+1.517	4.598	0.250
12/13/2023	+5.616	-45.2%	+1.404	4.485	0.250
01/31/2024	+5.305	-31.1%	+1.326	4.407	0.250

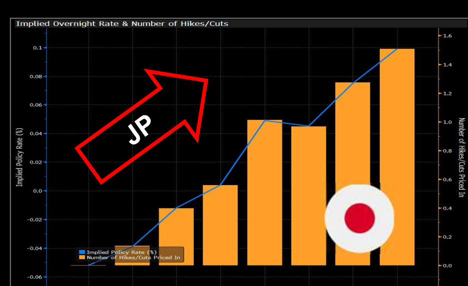
Source: Bloomberg

The FED is not alone… ...



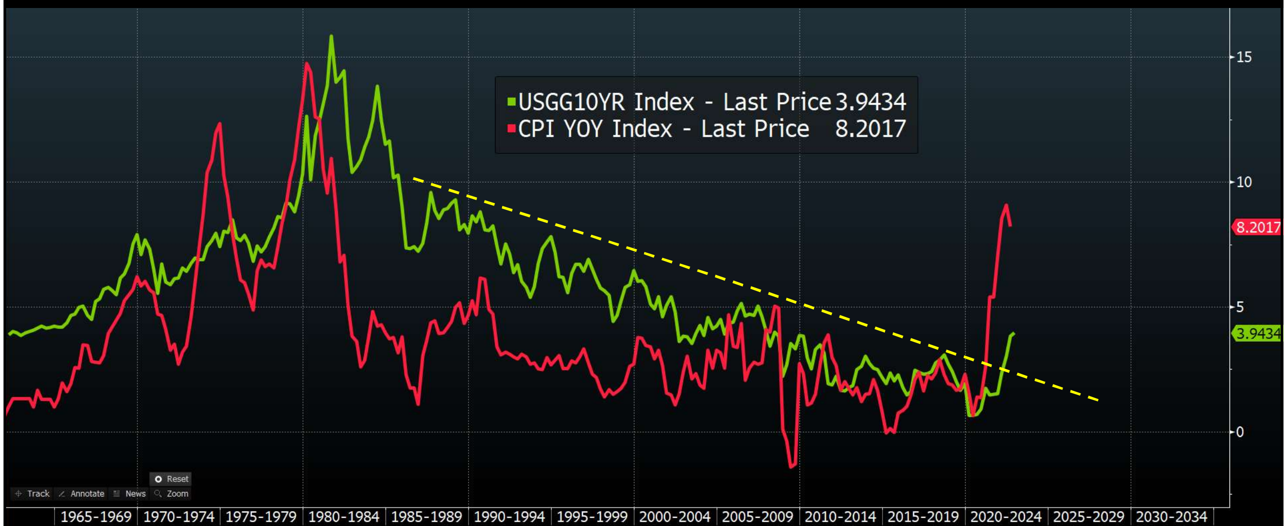






Source: Bloomberg

10 year US Treasury broke long term down trendline



Source: Bloomberg

What's the Big Deal?

World Economy *was* on Fiscal and Monetary Life Support

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Key Industrial Indices Shows Worrying Signs… …

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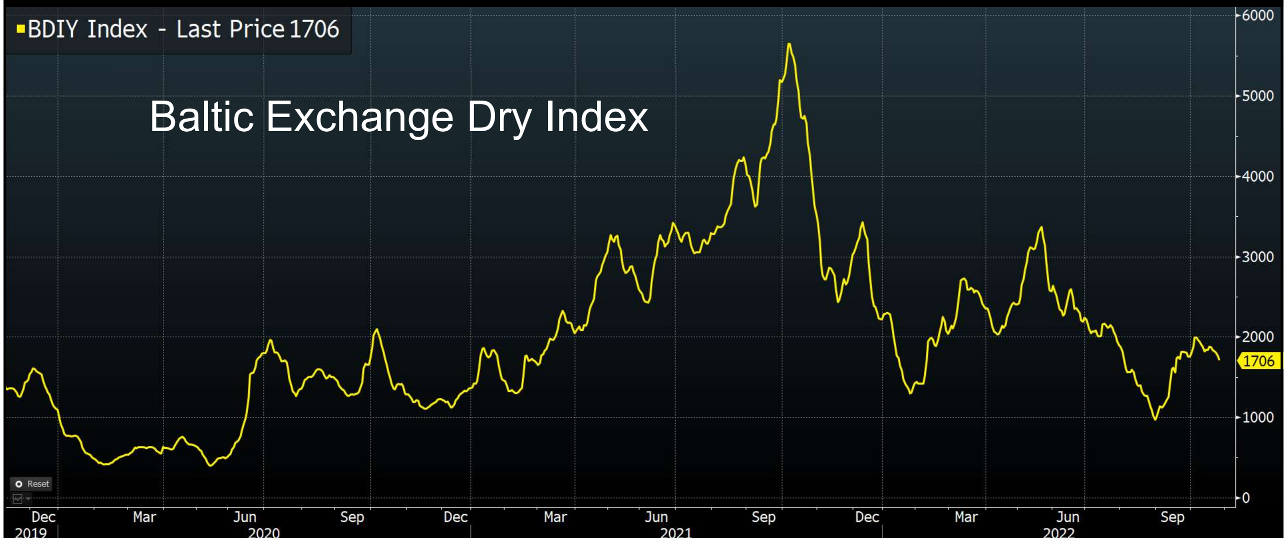
Source: Bloomberg

Cargo Activity Drops… …



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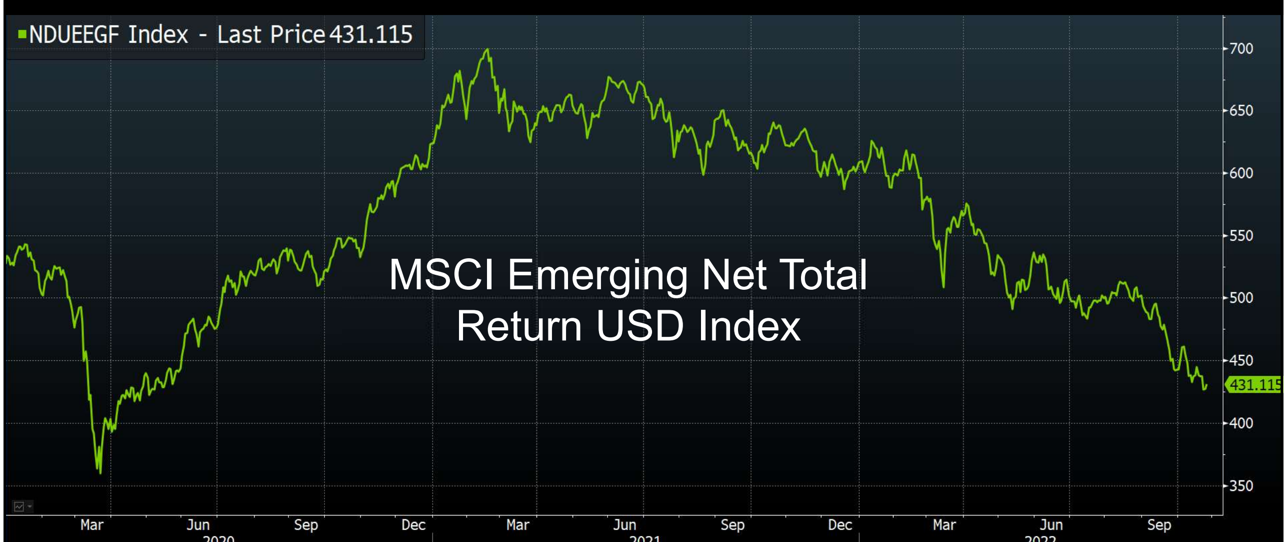
Source: Bloomberg

Emerging Markets are Not Spared… …



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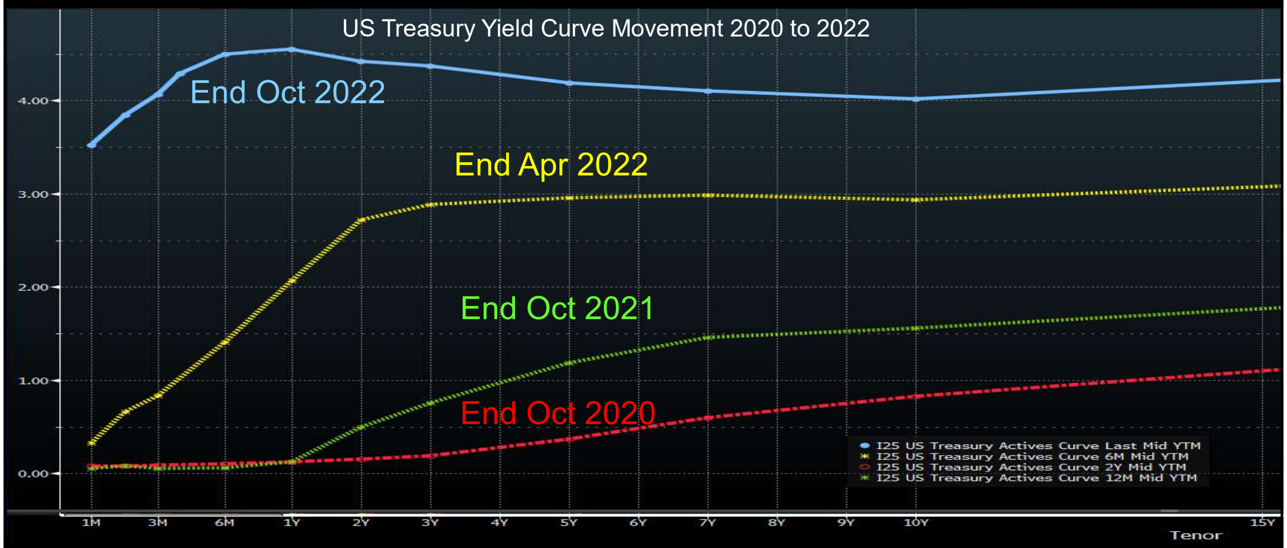
Source: Bloomberg

US Yield Curve Inversion… … Recession Next ?



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Source: Bloomberg

Asian FX Breaks New Lows… …

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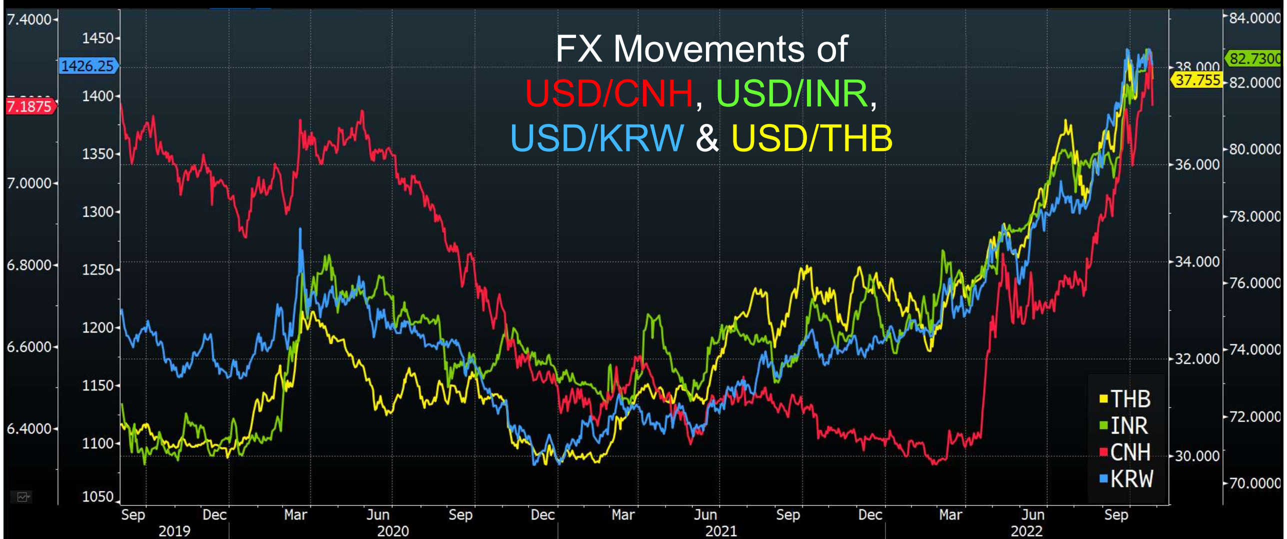
Source: Bloomberg

Take Your Pick… …



SGX USD/CNH Futures and Options

	USD/CNH Futures (Full-Sized)	USD/CNH Futures (Mini)	Options on USD/CNH Futures (Full-Sized)
Contract Size	**USD 100,000**	**USD 25,000**	One SGX USD/CNH Futures (Full-Sized) Contract
Ticker Symbol	UC	MUC	Call – CUC; Put – PUC
Contract Months	13 months & next 8 quarterly months	13 months & next 8 quarterly months	13 months & next 8 quarterly months
Min. Price Fluctuation	CNH 0.0001	CNH 0.0001	CNH 0.0001
Tick Value	**CNH 10**	**CNH 2.50**	**CNH 10**
Last Trading Day (LTD)	2 Hong Kong business days^ prior to 3rd Wednesday of contract expiry month		
Trading Hours (SG time)	7.25am-5.55pm 6.15pm-5.15am# LTD: 7.25am-11.00am		7.25am-6.00pm 6.15pm-5.15am# LTD: 7.25am-11.00am
Daily Price Limit	Nil		
Position Accountability Threshold*	Equivalent to 5,000 USD/CNH Futures (Full-Sized) contracts net long or net short in all USD/CNH Futures (Mini and Full-Sized, including FlexC Futures) and Options contract months combined.		
Final Settlement Price	USD/CNY (HK) Spot Rate published by the Treasury Markets Association of Hong Kong at approximately 11.30am (Hong Kong time), rounded to 4 decimal places.		N.A
Settlement Basis	Cash settled (CNH)		
Negotiated Large Trade	Minimum 20 lots	Minimum 80 lots	Minimum 20 lots
Refinitiv: Bloomberg:	0#SUC: XUCA <CURNCY> CT	0#SMUC: MXCA <CURNCY> CT	0#SUC+ XUCA <CURNCY> OMON

 # Trades executed during this session are for T+1 clearing

** A person owning or controlling more than the above specified Position Accountability Threshold, or such position as the Exchange may prescribe from time to time with prior notification, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.*

SGX INR Futures and Options

	INR/USD Futures	Options on INR/USD Futures	USD/INR (USD) Futures	Options on USD/INR (USD) Futures	USD/INR (USD) Month-end Futures
Contract Size	**INR 2,000,000**	**One SGX INR/USD FX Futures Contract**	**US$ 1000 X SGX USD/INR (USD) Futures price**	**One SGX USD/INR (USD) Futures Contract**	**US$ 1000 X SGX USD/INR (USD) Month-end Futures price**
Ticker Symbol	IU	Call – CIU; Put – PIU	INR	Call – CINR; Put – PINR	INX
Contract Months	12 monthly				
Min. Price Fluctuation	0.010 US cents (per 100 Rupees)		0.0025 index points (US$ 2.50)		
Tick Value	**USD 2**		**USD 2.5**		
Last Trading Day (LTD)	2 business days prior to the last business day of the contract expiry month		2 business days prior to the 3rd Wednesday of the contract expiry month		2 business days prior to the last business day of the contract expiry month
Trading Hours (SG time)	7.25am – 7.30pm 7.50pm – 5.15am#				
Daily Price Limit	Nil				
Position Accountability Threshold*	Equivalent to 5,000 INR/USD Futures contracts net long or net short in all INR/USD Futures and Options contract months combined.		Equivalent to 5,000 futures contracts net long or net short in all USD/INR (USD) Futures and Options contract months combined		Equivalent to 5,000 futures contracts net long or net short in USD/INR (USD) Month-end Futures, USD/INR (USD) Futures and Options contract months combined
Final Settlement Price	Equal to the reciprocal of the RBI USD/INR spot exchange rate, or such publicly available equivalent successor rate that is determined by SGX-DT, on the Last Trading Day, multiplied by 10,000 to convert such spot exchange rate to United States Cents per 100 Indian Rupees, rounded to 2 decimal places.	N.A.	Equal to the spot exchange rate for Indian rupees per United States dollar published by the Reserve Bank of India (RBI), or such publicly available equivalent successor rate that is determined by SGX-DT, on the Last Trading Day.	N.A.	Equal to the spot exchange rate for Indian rupees per United States dollar published by the Reserve Bank of India (RBI), or such publicly available equivalent successor rate that is determined by SGX-DT, on the Last Trading Day
Settlement Basis	Cash settled (USD)				
Negotiated Large Trade	Minimum 30 lots (Min. price fluctuation: 0.001 US cents per 100 Rupees)	Minimum 30 lots	Minimum 10 lots	Minimum 10 lots	Minimum 10 lots
Refinitiv: Bloomberg:	0#SDIU+ XIDA <CURNCY> OMON	0#SDIU: XIDA <CURNCY> CT	0#SSINR: INSA<CURNCY>CT	#SSINR+ INSA <CURNCY> OMON	0#SINX: ANSA <CURNCY> CT

 # Trades executed during this session are for T+1 clearing
** A person owning or controlling more than the above specified Position Accountability Threshold, or such position as the Exchange may prescribe from time to time with prior notification, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable.*

SGX KRW/USD Futures

	KRW/USD Futures (Full-Sized)	KRW/USD Futures (Mini)
Contract Size	**125,000,000 KRW**	25,000,000 KRW
Ticker Symbol	KRW	KU
Contract Months	12 monthly	12 monthly
Min. Price Fluctuation	**US$ 0.00005** (per 1,000 Korean won)	US$ 0.0001 (per 1,000 Korean won)
Tick Value	**US$ 6.25**	US$ 2.50
Last Trading Day (LTD)	3rd Monday of the contract expiry month^	3rd Monday of the contract expiry month^
Trading Hours (SG time)	7.25am-7.30pm 7.50pm-5.15am# LTD: 7.25am-2.00pm	7.25am-7.30pm 7.50pm-5.15am# LTD: 7.25am-2.00pm
Daily Price Limit	Nil	Nil
Position Accountability Threshold*	Equivalent to 5,000 KRW/USD Futures (Mini) contracts net long or net short in all contract months combined	Equivalent to 5,000 KRW/USD Futures (Mini) contracts net long or net short in all contract months combined
Final Settlement Price	Equal to the reciprocal of the SMBS USD/KRW Basic Exchange Rate published at approximately 2.30pm (Singapore time), multiplied by 1,000 to convert such basic exchange rate to United States Dollar per 1,000 Republic of Korea Won, rounded to **5 decimal places**.	Equal to the reciprocal of the SMBS USD/KRW Basic Exchange Rate published at approximately 2.30pm (Singapore time), multiplied by 1,000 to convert such basic exchange rate to United States Dollar per 1,000 Republic of Korea Won, rounded to 4 decimal places.
Settlement Basis	Cash settled (USD)	Cash settled (USD)
Negotiated Large Trade	Minimum **10 lots** (Min. price fluctuation: US$ 0.00001 per 1,000 KRW)	Minimum 30 lots
Refinitiv code	0#SKRW:	0#SDKU:
Bloomberg code	XKRA ‹CURNCY› CT	XUWA ‹CURNCY› CT

^ Where the third Monday is not a Business Day, the Last Trading Day shall be the first Business day preceding the third Monday. Business Day means any day which is not a bank holiday in Seoul.

SGX THB/USD Futures

Contract Specifications	
Contract Size	THB 1,000,000
Contract Months	3 monthly followed by the next nearest quarterly month
Min. Price Fluctuation	US$ 0.005 per 1,000 Thai Baht
Tick Value	US$ 5
Trading Hours (Singapore time)	T session: 7.25am – 5.55pm T+1 session:6.15pm – 5.15am
Last Trading Day	1 business day prior to the last business day of the contract expiry month
Settlement Basis	Cash settled (USD)
Negotiated Large Trade	Minimum 50 lots
Refinitiv Ticker **Bloomberg Ticker**	0#STU: XTBA ‹CURNCY› CT

Source: SGX

Expect Some Pain… …

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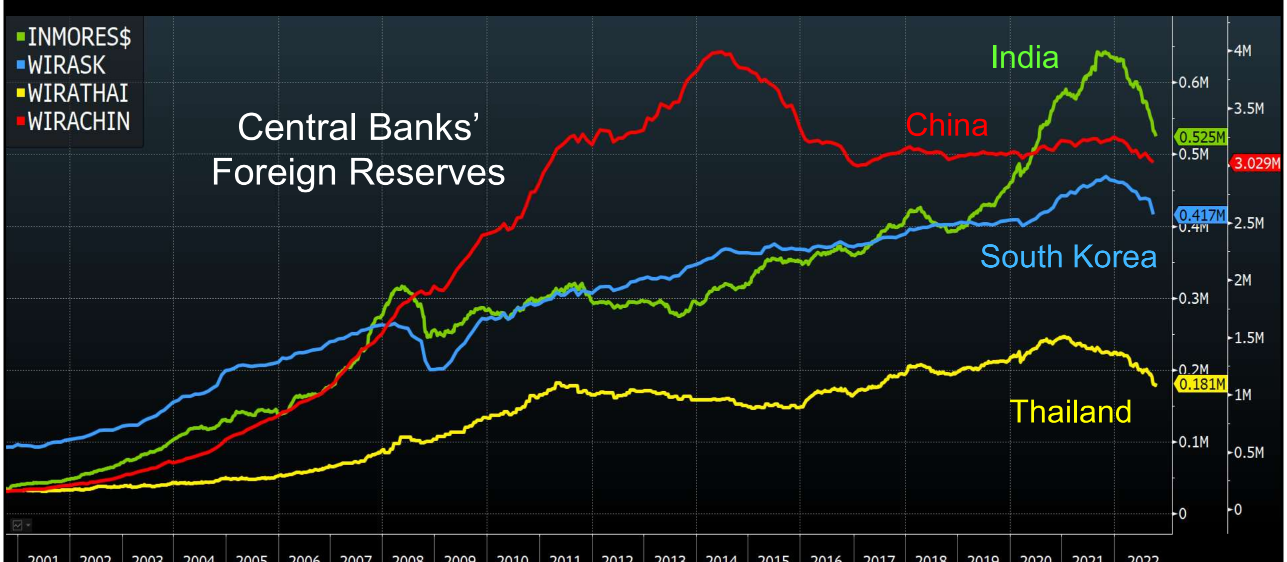
Source: Bloomberg, CNBC

Central Banks Have Been Busy… …



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Source: Bloomberg

Fix Income Outflow is an Early Indicator

The Long USD Trade to continue… …

Long USD/CNH Positive Carry

USD/CNH
Source: Singapore Exchange (was SIMEX) | Session: COMB | Display: Quoted Value | As of: 10/28/22 | Type: Generic
Exchange Symbol | Currency: CNH
Aggr Vol 80,661 | Aggr Open Int 106,550

Futures | Spreads

Show: Weekly | Monthly | Quarterly | Seasonal | Yearly

Description	Last	Chg Settle	Time	Bid	Ask	Open Int	Volume	Yest Settle
1) Nov22	7.2664s	+.0133	Close	7.2350	7.2748	6965	7059	7.2531
2) Dec22	7.2522s	+.0161	Close	7.2480	7.2547	76895	67912	7.2361
3) Jan23	7.2386s	+.0130	Close	7.2000		798	606	7.2256
4) Feb23	7.2256s	+.0120	Close			133	47	7.2136
5) Mar23	7.2116s	+.0068	Close	7.2030	7.2368	17956	4909	7.2048
6) Apr23	7.1946s	+.0110	Close					7.1836
7) May23	7.1815s	+.0109	Close					7.1706
8) Jun23	7.1651s	+.0109	Close	7.0850		3138	108	7.1542
9) Jul23	7.1529s	+.0110	Close					7.1419
10) Aug23	7.1406s	+.0110	Close					7.1296
11) Sep23	7.1260s	+.0111	Close	7.0400	7.3088	183		7.1149
12) Oct23	7.1142s	+.0111	Close					7.1031

Source: Bloomberg

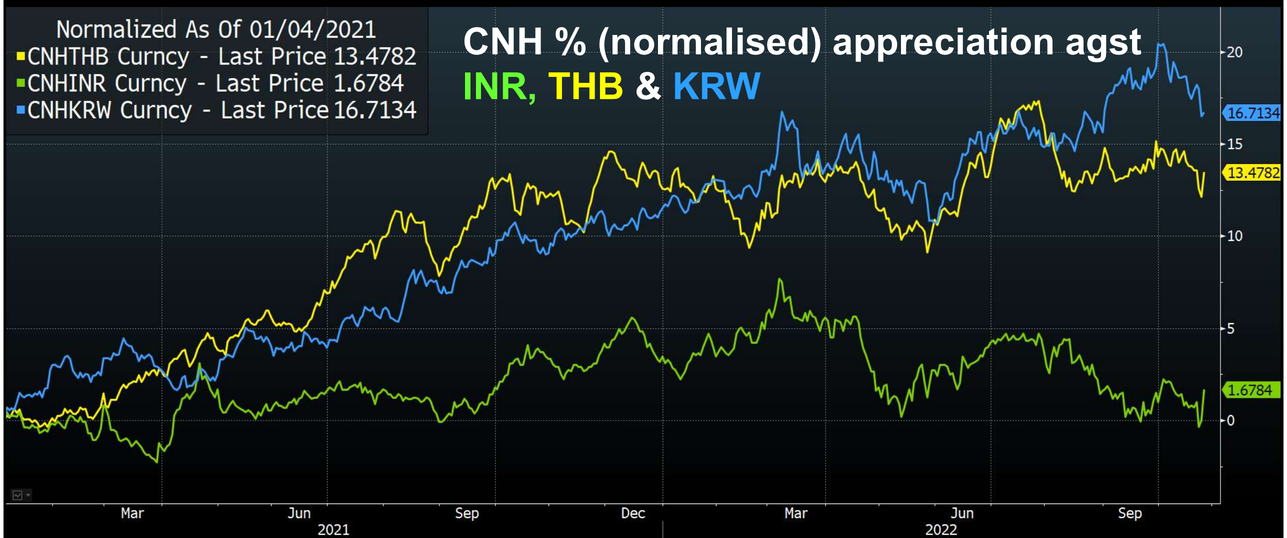
USDCNH Calendar Spread Trade

Potential for US yield to continue head higher and CNH yields to head lower

implies this spread should go into deeper discount due to yield differential

Source: Bloomberg

CNH Crosses



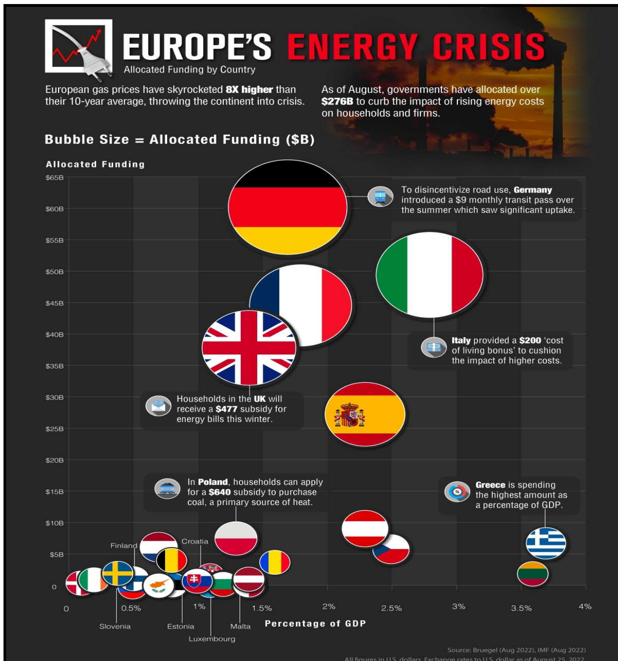
Source: Bloomberg

What Else to Keep a Look Out For ?


US - China Tensions


Potential Stimulative
Initiatives from China

EU Energy Crisis



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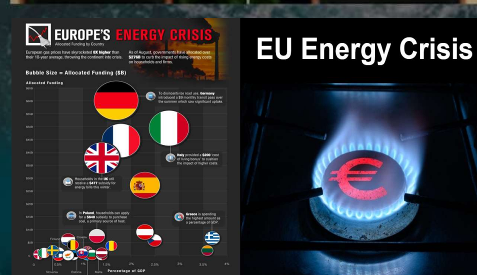
Source: Visual Capitalist

The Trend is Your Friend



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