

Frequently Asked Questions

S&P/TAIFEX RMB Indices

INDEX DESIGN

- 1. What are the S&P/TAIFEX RMB Indices?** The S&P/TAIFEX RMB Index Series comprises the [S&P/TAIFEX RTF RMB Index \(USD\)](#) and the [S&P/TAIFEX RHF RMB Index \(USD\)](#). These indices seek to track the performance of the inverse of the nearest quarterly month RTF or RHF futures contract traded on the Taiwan Futures Exchange (TAIFEX), reflecting the number of U.S. dollars per offshore Chinese renminbi (RMB) for Taiwan and Hong Kong. For the S&P/TAIFEX RHF RMB Index, 1x inverse and 2x leverage versions are available and are designed to generate the inverse of and twice the daily excess return of the underlying indices.
- 2. Why were the S&P/TAIFEX RMB Indices created?** There has been increasing demand for RMB-denominated assets and a growing trend of internationalization of the RMB. In collaboration with the TAIFEX, S&P Dow Jones Indices (S&P DJI) has created this index series that enables more effective management of exposure to Chinese yuan currency risk and speculation of the yuan through investment products tracking the S&P/TAIFEX RMB Indices, as well as their inverse and leverage counterparts.
- 3. What are the differences between the RTF and RHF futures contracts?** There are two key differences in terms of contract size and final settlement prices. The RTF and RHF have contract sizes of USD 20,000 and USD 100,000, respectively. For the final settlement price, the RTF uses the spot USD/CNY(TW) fixing published by the Taipei Foreign Exchange Market Development Foundation, while the RHF uses the spot USD/CNY(HK) fixing of the Treasury Markets Association of Hong Kong.

INDEX CONSTRUCTION

- 1. How are the S&P/TAIFEX RMB Indices designed?** The S&P/TAIFEX RTF RMB Index and the S&P/TAIFEX RHF RMB Index seek to measure the return from a long position in the inverse of the first quarterly month futures contract. By using the inverse of the futures contract price, the S&P/TAIFEX RMB Indices are denominated in U.S. dollars, although the RTF and RHF futures contracts are quoted in Chinese renminbi per U.S. dollar. In this way, the indices' levels rise when the renminbi appreciates (reflected by the respective futures price movement) and vice versa.
- 2. How are the futures contracts rolled?** To improve the capacity of the index, a five-day staggered rolling is implemented. Specifically, over a five-day rolling period every quarter, starting 10 trading days and ending 6 trading days prior to the futures last trade day (including the last trade day), the index rolls to the second quarterly month contract, with 20% of the portfolio being rolled each day. Exhibit 1 provides an example roll period, showing the mechanics of the roll period based on the last trade dates of the underlying futures contracts.

Exhibit 1: Example Roll Period					
DATE	ROLL OUT	ROLL IN	LAST TRADE	ROLL BEGINS	ROLL ENDS
Dec. 5, 2017	RTFZ7	RTFH8			
Dec. 6, 2017	RTFZ7	RTFH8			
Dec. 7, 2017	RTFZ7	RTFH8		X	
Dec. 8, 2017	RTFZ7	RTFH8			
Dec. 11, 2017	RTFZ7	RTFH8			
Dec. 12, 2017	RTFZ7	RTFH8			
Dec. 13, 2017	RTFH8	RTFM8			X
Dec. 14, 2017	RTFH8	RTFM8			
Dec. 15, 2017	RTFH8	RTFM8			
Dec. 18, 2017	RTFH8	RTFM8			
Dec. 19, 2017	RTFH8	RTFM8			
Dec. 20, 2017	RTFH8	RTFM8	X		
Dec. 21, 2017	RTFH8	RTFM8			

Source: S&P Dow Jones Indices LLC. Table is provided for illustrative purposes.

- 3. How are the excess return and total return indices calculated?** The daily excess return reflects the daily return of the inverse of the contract. For a non-rolling period, this is exactly the daily price return of the inverse of the first quarter futures contract. For a rolling period, roll cost or gain are also included in the daily excess return.¹ The daily total return adds interest accrual on the notional value of the index based on the three-month U.S. Treasury rate on top of the daily excess return.

INDEX DATA AND LICENSING

- 1. How often is the index calculated?** The index is calculated on a daily basis.
- 2. How much history is available?** History is available from July 31, 2015. The index was launched on March 23, 2018. All data prior to the launch date are back-tested.
- 3. How can I access data for these indices?** Index levels are available on Bloomberg and via S&P DJI's FTP feed.
- 4. Where can I obtain more information about the S&P/TAIFEX RMB Indices?** Historical and current monthly index information, including factsheets and index methodology, is available at www.spdji.com and http://info512.taifex.com.tw/Future/CurrencyQuote_Norl.aspx. For more information, please contact index_services@spglobal.com.

¹ Please refer to the "Calculation of the Excess Return Index" section in the [S&P/TAIFEX RMB Indices Methodology](#) for more detail.

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