

ASX Equity Index Futures



Transparent, liquid contracts for risk management of equity positions

ASX equity index futures are futures contracts based on a share index, such as the S&P/ASX 200 Index. They allow you to trade or hedge movements in an entire index worth of stocks in a single transaction.

The potential benefits of equity index futures over straight equities include:

- lower trading costs – compared to the brokerage fees for single stocks
- greater leverage – as the margin required to invest is a fraction of the contract value
- lower risk – due to the potential to hedge, the relative stability of an underlying index (compared with individual stocks) and limited liquidity risk
- portfolio diversification – as an underlying index comprises a variety of companies within a broad category
- increased liquidity – due primarily to the speed at which market orders can be placed.

ASX equity index futures

ASX offers the following equity index futures:

- ASX SPI 200™ and ASX MINI SPI 200™ Index Futures
- S&P/ASX 200 Gross Total Return (AT) Index Futures
- Sector futures
 - S&P/ASX 200 A-REIT
 - S&P/ASX 200 Resources and
 - S&P/ASX 200 Financials-x-A-REIT.

The Australian equities market

With a market capitalisation of over A\$2.5 trillion, the Australian cash equities market is supported by the world's 5th largest pension pool set to grow to \$9 trillion by 2040.

The benefits of exchange-traded markets

Trading on ASX enables customers to leverage the benefits of exchange-traded markets, including:

- long trading hours, being open for 21 hours and 50 minutes every trading day
- immediate execution and confirmation of all trades
- price transparency and liquidity, as you can always know the price at which you can buy or sell, almost instantaneously
- lower brokerage fees than typically incurred when trading specific securities
- lower counterparty risk, as transaction clearing is performed by ASX Clear and ASX Clear (Futures) as a central counterparty.





ASX SPI 200 and ASX MINI SPI 200 Index Futures

ASX SPI 200™ (ASX SPI) and ASX MINI SPI 200™ (ASX MINI SPI) Index Futures are the benchmark equity derivative products on ASX Trade24®.

Futures based on the S&P/ASX 200 Index

The ASX SPI and ASX MINI SPI are based on the S&P/ASX 200 Index. They provide exposure to Australia's top 200 listed companies without having to buy or sell the shares of every company in the index.

The S&P/ASX 200 Index is recognised as the investable benchmark for the Australian equities market. It covers approximately 80% of the market capitalisation of listed securities in Australia.

ASX SPI 200 futures are approved for trading by the US Commodity Futures Trading Commission (CFTC) and the UK Financial Conduct Authority.

Trading ASX SPI and ASX MINI SPI

Trading in the ASX SPI and ASX MINI SPI is conducted 'on-market' via ASX Trade24, ASX's proprietary electronic trading platform.

Both products can be traded 'off-market', through block trade and exchange for physical facilities.

Calendar and inter-market spread trading functionality is also available.

Key features

ASX SPI

- \$25 per index point, or \$150,000 notional value when the index is at 6,000 points
- day and night trading sessions accessible almost 24 hours a day
- available through international hubs, including London, Chicago, Singapore and Hong Kong
- approximately A\$5 billion in average daily turnover
- available on the next six quarterly expiry months and the nearest two non-quarterly expiry months.

ASX MINI SPI

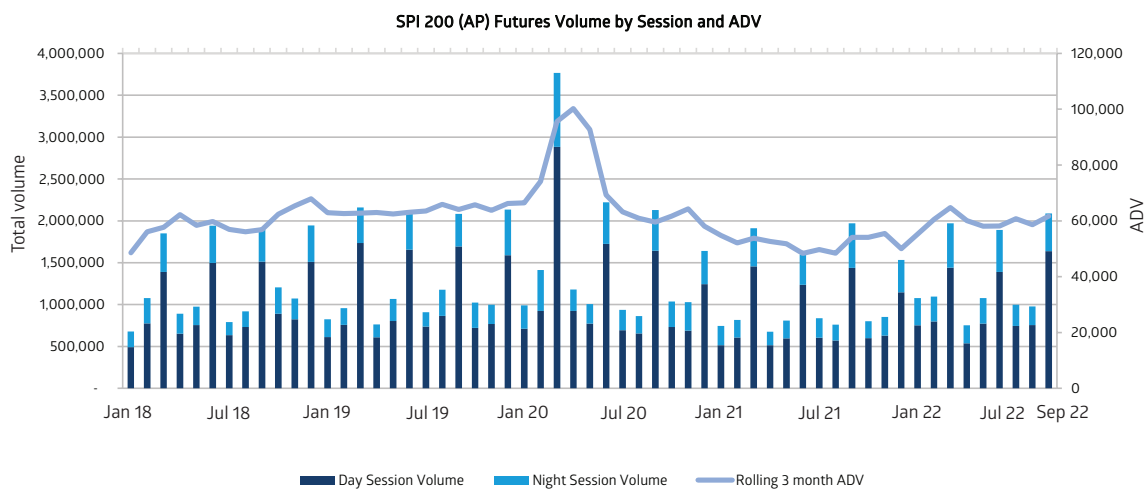
- \$5 per index point, or \$30,000 notional value when index is at 6,000 points
- day and night trading sessions accessible almost 24 hours a day
- available through international hubs including London, Chicago, Singapore and Hong Kong

Contract specifications

	ASX SPI 200	ASX MINI SPI 200
Trading platform	ASX Trade24	ASX Trade24
Underlying index	S&P/ASX 200 Index	S&P/ASX 200 Index
Contract unit	Valued at A\$25 per index point (for example, A\$150,000 at 6,000 index points)	Valued at A\$5 per index point (for example, A\$30,000 at 6,000 index points)
Contract months	<ul style="list-style-type: none"> • March/June/September/December Up to six quarter months ahead and nearest two non-quarterly expiry months	<ul style="list-style-type: none"> • March/June/September/December Up to two quarter months ahead and nearest two non-quarterly expiry months
Commodity code	AP	AM
Listing date	02/05/2000	12/10/2015
Minimum price movement	One index point (A\$25)	One index point (A\$5)
Last trading day*	All trading in expiring contracts ceases at 12.00pm on the third Thursday of the settlement month. Non-expiring contracts underlying futures contract will continue to trade as per the trading hours.	
Cash settlement price*	<p>The Special Opening Quotation of the underlying S&P/ASX 200 Index on the last trading day, calculated using the first traded price of each component stock in the S&P/ASX 200 Index on the last trading day, irrespective of when those stocks first trade in the ASX trading day.</p> <p>This means the first traded price of each component stock may occur any time between ASX market open and ASX market close (including the Closing Single Price Auction) on the last trading day.</p> <p>If a component stock hasn't been traded by ASX market close on the last trading day, the last traded price of that stock will be used to calculate the Special Opening Quotation.</p>	
Trading hours*	Day and night trading sessions that are accessible almost 24 hours a day: <ul style="list-style-type: none"> • 5.10pm to 7.00am and 9.50am to 4.30pm (Sydney time, during US daylight saving time) • 5.10pm to 8.00am and 9.50am to 4.30pm (Sydney time, during US non-daylight saving time) 	
Settlement day*	The first business day after expiry, ASX Clear (Futures) publishes the final settlement price of the contract. On the second business day after expiry, ASX Clear (Futures) settles cash flows as a result of the settlement price.	
Headline fee	\$1	\$0.25
Block trade size	200	1000
Exchange for physical	Yes	Yes
CFTC approved	Yes	Yes

*Sydney times

Performance of the ASX SPI





S&P/ASX 200 Gross Total Return (AT) Index Futures

The S&P/ASX 200 Gross Total Return Index Futures differ from the ASX SPI 200™ Index Futures because they account for dividend reinvestment. They enable customers to replicate their total return benchmark needs in a single transaction.

The S&P/ASX 200 Gross Total Return Index

The S&P/ASX 200 Gross Total Return Index is based on the S&P/ASX 200. In addition, it reinvests regular cash dividends without consideration for withholding tax or franking credits. This offers the potential to grow an investment and compound returns, automatically, at a lower cost than might otherwise be possible.

Trading ASX Gross Total Return Futures

Trading is conducted 'on-market' via ASX's electronic trading platform, ASX Trade24®.

This product can also be traded 'off-market' through block trade and exchange for physical facilities.

Calendar and inter-market spread trading functionality is also available.

Key features

Gross Total Return Index Futures

- futures trading price a tenth of underlying index value (65,000-point index vs 6,500-point futures price):
 - futures tick value = \$25 a point
 - notional value similar to SPI Futures
- block front two quarters (50 contract minimum)
- roll spread reduced to 0.5 points
- spread trading allowed against AP (ASX SPI 200 futures)
- available through international hubs, including London, Chicago, Singapore and Hong Kong.

Contract specifications

Trading platform	ASX Trade24
Underlying index	XJT S&P/ASX 200 Gross Total Return Index
Contract unit	Valued at A\$25 per index point (for example, A\$150,000 at 6,000 index points)
Contract months	First six quarters
Commodity code	AT
Contract divisor	10
Listing date	3 June 2019
Minimum price movement	Ordinary trading: 1 index point (A\$25) During the roll: 0.5 index point (A\$12.50)
Last trading day*	All trading in expiring contracts ceases at 12.00pm on the Third Thursday of the settlement month. Non-expiring contracts will continue to trade as per the stated trading hours.
Cash settlement price*	The Special Opening Quotation of the underlying S&P/ASX 200 Gross Total Return Index on the Last Trading Day. The Special Opening Quotation is calculated using the first traded price of each component stock in the S&P/ASX 200 Index on the Last Trading Day, irrespective of when those stocks first trade in the ASX trading day. This means that the first traded price of each component stock may occur at any time between ASX market open and ASX market close (including the Closing Single Price Auction) on the Last Trading Day. Should any component stock not have traded by ASX market close on the Last Trading Day, the last traded price of that stock will be used to calculate the Special Opening Quotation.
Trading hours*	5.10pm – 7.00am and 9.50am – 4.30pm (For period from second Sunday in March to first Sunday in November) 5.10pm – 8.00am and 9.50am – 4.30pm (For period from first Sunday in November to second Sunday in March)
Settlement day*	The first business day after expiry, ASX Clear (Futures) publishes the final settlement price of the contract. On the second business day after expiry, ASX Clear (Futures) settles cash flows as a result of the settlement price.
Headline fee	\$1.00 plus GST per contact side
Block trade size	50 contracts (reported to 0.1pt) acceptable on all expiries. Cannot be used to facilitate roll activity.
Position limit	None
Daily price limit	None
Exchange for physical	Yes

*Sydney times

Comparison between the S&P/ASX 200 Gross Total Return Index and the S&P/ASX 200 Index





S&P/ASX 200 A-REIT, S&P/ASX 200 Resources and S&P/ASX200 Financials-x-A-REIT

ASX sector futures enable market participants to trade, hedge, equitise and arbitrage exposure to the three of the largest sectors in the S&P/ASX 200.

Futures based on the A-REIT, resources and financials indices

The **S&P/ASX 200 A-REIT Index (XPJ)** contains the listed vehicles classified as Australian Real Estate Investment Trusts (REITs), which own property and derive income from rental returns.

The **S&P/ASX 200 Resources Index (XJR)** comprises companies from the S&P/ASX 200 index belonging to the energy sector or the metals and mining industry.

The **S&P/ASX 200 Financials-x-A-REITs Index (XXJ)** comprises companies from the S&P/ASX 200 index involved in banking, mortgage finance, consumer finance, specialised finance, investment banking and brokerage, asset management and custody, corporate lending, insurance and financial investment, excepting companies classified as A-REITs.

Trading sector futures

The following strategies can be used to trade sector futures:

- *Cash equitisation*: Investors purchase sector futures for a small percentage of the contract's value and gain leveraged exposure to a desired market sector while waiting for cash dividends to be paid. Once dividends are paid, the sector futures position can be closed or exchanged for physical.
- *Tilting*: Investors holding a portfolio of shares designed to replicate the ASX200 index will tilt their portfolio towards or against a particular sector they identify as overvalued or

undervalued. Instead of buying and selling physical shares for a lower cost and initial capital outlay, investors can buy or sell sector futures to increase or decrease their exposure to particular sectors, depending on their individual objectives.

- *Hedging*: Investors hedge against perceived or actual fluctuations in the three largest sectors of the Australian equity market. They sell sector futures to lock in the value of a portfolio of shares they might hold, or buy sector futures to hedge an anticipated purchase of shares.

Investors should seek independent advice about whether the use of sector futures is appropriate for their individual circumstances.

Key features

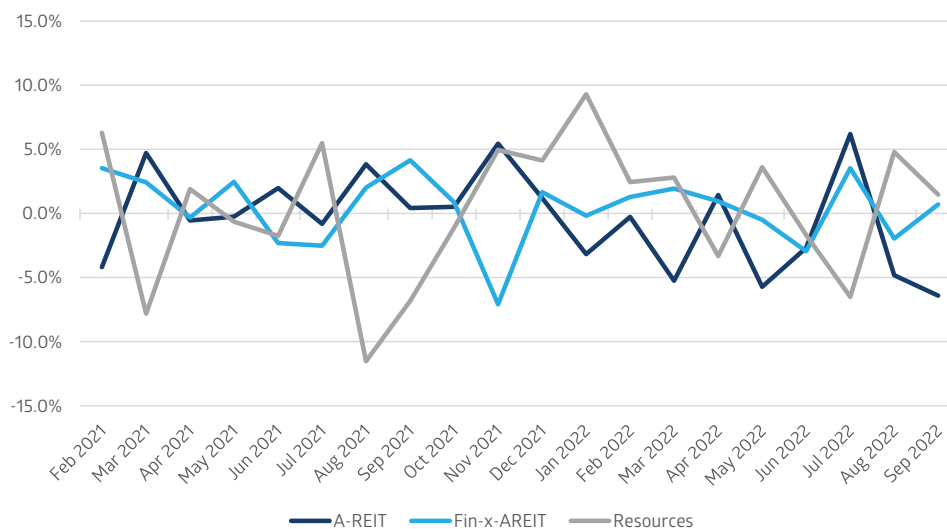
Sector futures

- the same contract design as ASX SPI 200 futures and trades on ASX Trade24®
- potential arbitrage opportunities between sector futures and sector exchange-traded funds, baskets of stock and ASX SPI 200 futures
- margin offsets between the three sector futures and ASX SPI 200 futures
- off-market trading through the block trade facility
- liquidity in the form of a dedicated market maker
- lower transaction costs than those typically incurred while trading in the underlying securities.

Contract specifications

	S&P/ASX 200 A-REIT Index Futures	S&P/ASX 200 Resources Index Futures	S&P/ASX 200 Financials-x-A-REITs Index Futures
Trading platform	ASX Trade24	ASX Trade24	ASX Trade24
Underlying index	XPJ (IRESS) AS51PROP (Bloomberg) S&P/ASX 200 A-REIT Index	XJR (IRESS) AS45 (Bloomberg) S&P/ASX 200 Resources Index	XXJ (IRESS) AS51FNXP (Bloomberg) S&P/ASX 200 Financials-x-A-REIT Index
Contract unit	Valued at A\$25 per index point (for example, A\$37,500 at 1,500 index points)	Valued at A\$25 per index point (for example, A\$125,000 at 5,000 index points)	Valued at A\$25 per index point (for example, insert A\$175,000 at 7,000 index points)
Contract months	<ul style="list-style-type: none"> March/June/September/December Up to four quarter months ahead	<ul style="list-style-type: none"> March/June/September/December Up to four quarter months ahead	<ul style="list-style-type: none"> March/June/September/December Up to four quarter months ahead
Commodity code	AA (IRESS) VPAA (Bloomberg)	AR (IRESS) VARA (Bloomberg)	AF (IRESS) VBA (Bloomberg)
Listing date	27/10/2014	14/10/2013	14/10/2013
Minimum price movement	One index point (A\$25)		
Minimum fluctuations for quoting futures price	Ordinary trading: 1 index point Roll transactions on market (last week prior to contract expiry): 0.1 index point Block trading: 0.1 index point		
Last trading day*	All trading in expiring contracts ceases at 12.00pm on the third Thursday of the settlement month. All other futures contracts will continue to trade as per the trading hours.		
Cash settlement price*	The settlement price will be the Opening Price Index Calculation (OPIC) for the underlying index calculated to one decimal place. The OPIC is determined using the first traded price of each constituent stock in the underlying index on the expiry day. If a constituent stock does not trade on the expiry day, the last traded price is used.		
Trading hours*	9.50am to 4.30pm		
Settlement day*	The second business day after the final trading day in a settlement month.		
Headline fee	\$0.90	\$0.90	\$0.90
Block trade size	20	40	20
Exchange for physical	Yes	Yes	Yes

Relative performance of sector indices versus the S&P/ASX 200 Index



Vendor codes

Product - Index Futures	ASX SPI 200 Index Futures	ASX MINI SPI 200 Index Futures (Mini SPI 200)	S&P/ASX 200 Gross Total Return Index Futures (GTR)	S&P/ASX 200 A-REIT Index Futures	S&P/ASX 200 Resource Index Futures	S&P/ASX 200 Financials-x-A-REIT Index Futures	SPI 200/GTR Spread	SPI 200/Mini SPI 200 Spread
ASX24 Code	AP	AM	AT	AA	AR	AF	APMYATMY11	AMMYAPMY51
Bloomberg	XPA	MXPA	XJTA	VPAA	VARA	VBA	XPXJT	MXPPX
IRESS Market Technology	APmy	AMmy	ATmy	AAmy	ARmy	AFmy	APmyATmy	AMmyAPmy
Refinitiv	0#YAP	0#YMF	0#YAT	0#YAA	0#YAR	0#YAF	0#YAPYAT-SPD	0#YMFYAP-SPD

Contact us

Email: equity.derivatives@asx.com.au

Web: www2.asx.com.au/equity-derivatives

Information provided is for educational purposes and does not constitute financial product advice. You should obtain independent advice from an Australian financial services licensee before making any financial decisions. Although ASX Limited ABN 98 008 624 691 and its related bodies corporate ("ASX") has made every effort to ensure the accuracy of the information as at the date of publication, ASX does not give any warranty or representation as to the accuracy, reliability or completeness of the information. To the extent permitted by law, ASX and its employees, officers and contractors shall not be liable for any loss or damage arising in any way (including by way of negligence) from or in connection with any information provided or omitted or from any one acting or refraining to act in reliance on this information.

© Copyright ASX Operations Pty Limited ABN 42 004 523 782. All rights reserved 2022.

