

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

SECTOR FUTURES



S&P/ASX 200 A-REIT Index Futures

S&P/ASX 200 Resources Index Futures

S&P/ASX 200 Financials-x-A-REIT Index Futures

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

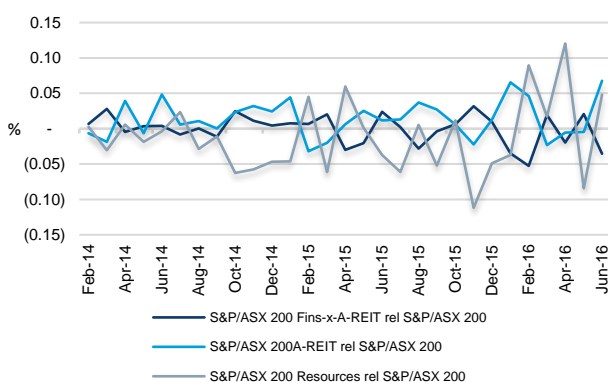
Based on the Resources, Financials and A-REIT Indexes

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)** consists of companies from the S&P/ASX 200 index that are classified as belonging to the energy sector or the metals and mining industry.

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

Relative performance of the three sector indexes versus the S&P/ASX200 index



Benefits of exchange traded markets

Trading in sector futures on the ASX 24 market enables customers to leverage the benefits of exchange traded markets, including:

- Price transparency and liquidity
- Lower brokerage fees (than typically found when trading underlying securities)
- Immediate execution and confirmation
- Lower counterparty risk

Trading strategies

The following trading strategies can be employed to trade sector futures:

Cash equitisation: Investors purchase sector futures for a small percentage of the value of the contract and gain leveraged exposure to a desired market sector while waiting for cash dividends to be paid. Once dividends have been paid, the sector futures position can be closed or exchanged for physical (EFP).

Tilting: Investors holding a portfolio of shares that aims to replicate the ASX200 index can tilt their portfolio toward or against a particular sector they identify as over 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 – Resources, Financials (x-A-REIT) and A-REITs. Investors sell sector futures with an aim 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 as to whether the use of sector futures is appropriate for their individual circumstances.

Key features

The S&P/ASX 200 Resources Index Futures, S&P/ASX 200 Financials-x-A-REIT Index Futures and S&P/ASX 200 A-REIT Index Futures offer:

- The same contract design as ASX SPI 200 Futures and trades on the ASX Trade24[®] platform.
- Potential arbitrage opportunities between sector futures and sector exchange-traded funds (ETFs), 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 when trading in the underlying securities.

CONTRACT SPECIFICATIONS

Contract	Underlying Index Code		Futures Code	
	IRESS	Bloomberg	IRESS	Bloomberg
S&P/ASX 200 Financials-X-A-REIT Index	XXJ	AS51FNXP	AF	VBA
S&P/ ASX 200 A-REIT Index	XPJ	AS51PROP	AA	VPAA
S&P/ ASX 200 Resources Index	XJR	AS45	AR	VARA
Contract Unit	Valued at A\$25 per index point (A\$125,000 at 5,000 index points)			
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			
Trading Hours	9.50am to 4.30pm Sydney time			
Trading Platform	ASX Trade24			
Final 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.			
Settlement Value	The numerical value of the index quoted by the Approved Clearing Facility for that Settlement Day multiplied by A\$25.			
Settlement Day	The second business day after the Final Trading Day in a Settlement Month.			
Settlement Month	March, June, September, December, up to 4 quarter months ahead.			
Transaction Fee (Excl. GST)	A\$0.90			

ASX 24 TRADE EXECUTION RULES

Block Trade Minimum Threshold	S&P/ASX 200 Financials-x-A-REITs Index Future: 20 lots S&P/ASX 200 Resources Index Future: 40 lots S&P/ASX 200 A-REITs Index Future: 20 lots		
Applicable Contracts	Closest two quarterly contracts to expiry		
Applicable Agreement Hours	Block Trades may be agreed during the contract's day session and up to 10 minutes after the close of trading for that applicable session		
Block restriction	Only acceptable on the front two quarterly expiry's. Cannot be used to facilitate roll activity.		
Pre-negotiation rule [4401] (Minimum Volume Threshold 1 lot)	Minimum prescribed time between message and entry of Orders: <i>Outright market</i> 10 seconds	Minimum prescribed time between message and entry of Orders: <i>Custom market</i> 30 seconds	After prescribed time has elapsed – time allowed for order execution 90 seconds
Notification to the Exchange	Within 5 minutes of the agreement between the parties		
Change of Quarterly Month (Trading Days Prior to Expiry)	N/A		
Method Of Registration	Electronic		
Registration Time	For Block Trades agreed during the contract's day session the Trading Participant must complete registration within five minutes of the agreed terms being communicated to the Exchange		

Further Information

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