

TPEX 200 Index Futures

New Futures Contracts on Domestic SME Stock Index

Launch Date:
October 1, 2019



What is TPEX 200 Index Futures?

- TPEX 200 Index was published in March, 2019, as the new benchmark for the price movement of small and medium enterprises (SME) stocks.
- With higher volatility than TPEX Index and TAIEX, the TPEX 200 Index is composed of top **200** stocks in TPEX, sorted by market value after considering each company's liquidity. The constituents of TPEX 200 Index are concentrated in Electronics, Biotechnology and Medical Care with a total of 86% weights of market value. The base value is set on **5,000 points** for investors to easily observe movement of the index.
- TAIFEX launched TPEX 200 Index Futures to provide an alternative to trade TPEX market as hedging or trading instruments for ETN, ETF, etc.



Contract Specification

Underlying Index	TPEX 200 Index
Ticker Symbol	G2F
Contract Size	NTD 50 x per index point
Minimum Price Fluctuation	1 index point
Final Settlement Price	The average price of the underlying index disclosed within the last 30 minutes prior to the close of trading on the final settlement day

Advantage:
Lower entry level for smaller contract value and high flexibility

Other advantages of TPEX 200 Index Futures are the same as other Domestic Futures

Trading Hours • 08:45AM-1:45PM • 08:45AM-1:30PM on the last trading day	Last Trading Day/ Final Settlement Day The third Wednesday of the delivery month
Delivery Months Spot month, the next two calendar months, and the next three quarterly months	Daily Price Limit +/- 10% of previous day's settlement price
Daily Settlement Price The volume weighted average price, calculated by dividing the value of trades by the volume within the last one minute	Settlement Cash settlement



Trading Strategies for TPEX 200 Index Futures

Scenario 1

TPEX stock price is expected to move upward
 → Long TPEX 200 Index Futures

Date	T-day	T+5
2019 Oct. Futures	5,500	5,800
Long or Short	Long 10 contracts	Short 10 contracts
P&L	$(5800-5500) \times \text{NTD } 50 \times 10 \text{ contracts} = \text{NTD } 150,000$	

TPEX stock price is expected to move downward
 → Short TPEX 200 Index Futures

Date	T-day	T+5
2019 Oct. Futures	5,500	5,400
Long or Short	Short 10 contracts	Long 10 contracts
P&L	$(5500-5400) \times \text{NTD } 50 \times 10 \text{ contracts} = \text{NTD } 50,000$	

Scenario 2 Spread Trading

- Calendar Spreads:**
Long (Short) Oct. TPEX 200 Index Futures and short (long) Nov. TPEX 200 Index Futures
- Intercommodity Spreads:**
Long (Short) Oct. TPEX 200 Index Futures and short (long) Oct. Taipei Exchange Stock Index Futures

