

Asia Pac Derivatives

Asia equity futures roll preview: Jan 2024

Roll longs in MSCI Singapore, HSTECH, MSCI Taiwan early

As of 18 Jan close, the MSCI Singapore (QZ), HSTECH (HCT) and MSCI Taiwan (HJA) rolls traded 109bps cheap, 4bps rich and 153bps cheap (based on forecasted gross dividends of 0.76, 0.00 and 0.03 index points), respectively. These roll costs look statistically cheap as they correspond to the 12th, 12th and 16th 2-year percentiles, respectively. Investors that are long these futures might consider rolling early to lock in these relatively cheap levels.

Roll longs in NSE Nifty and GIFT Nifty late

The NSE Nifty (NZ) and GIFT Nifty (JGS) rolls look particularly rich, trading 183bps and 147bps rich (based on forecasted gross dividends of 38.17 and 38.17 index points), respectively. These roll costs correspond to the 96h and 77th 2-year percentiles, respectively. As such, investors might consider making use of this statistical richness and roll long futures positions later.

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Equity Derivatives
Asia Pacific

Lars Naeckter >>
Equity-Linked Analyst
Merrill Lynch (DIFC)
+852 3508 7669
lars.naekter@bofa.com

Zhenhua Xue >>
Equity-Linked Analyst
Merrill Lynch (Hong Kong)
+852 3508 8495
zhenhua.xue@bofa.com

Exhibit 1: The next upcoming equity futures rolls for contracts across Asia Pacific

Current roll richness/cheapness compared to historical rolls. Contracts are sorted by relevant expiry (rolls furthest in the futures at the bottom). The roll strategy is from the perspective of a long futures holder.

Description			Roll changes				Roll cost and Strategy			
Index name	Contract code	Relevant expiry	Change of positioning*	Roll pace	Pre/disc	Current vs last	Current	1yr avg	Main day	Cheap/rich
FTSE C* A50	XU	30-Jan	Longs unwound	1.1%	-18.50	-0.99%	-2.01%	-0.13%	26-Jan	Cheap
FTSE TW*	TWT	30-Jan	Longs unwound	1.8%	-0.59	-4.66%	-0.48%	-0.08%	26-Jan	Cheap
Hang Seng	HI	30-Jan	New shorts	5.4%	-3.69	-1.83%	-0.29%	0.37%	26-Jan	Rich
NSE Nifty	NZ	25-Jan	Longs unwound	23.5%	32.72	-1.20%	1.83%	0.81%	24-Jan	Rich
GIFT Nifty*	JGS	25-Jan	New shorts	3.6%	26.26	-2.57%	1.47%	1.24%	23-Jan	Rich
HSCEI	HC	30-Jan	Longs unwound	10.3%	-1.05	-2.07%	-0.24%	0.84%	26-Jan	Cheap
MSCI SG*	QZ	30-Jan	Longs unwound	0.6%	-0.25	-2.31%	-1.09%	-0.34%	26-Jan	Cheap
HSTECH	HCT	30-Jan	Longs unwound	8.3%	0.10	-1.43%	0.04%	1.19%	26-Jan	Cheap
MSCI TW*	HJA	30-Jan	Longs unwound	2.1%	-0.84	-3.90%	-1.53%	-0.15%	26-Jan	Cheap
TWSE	FT	21-Feb	New shorts	--	37.33	1.71%	2.60%	-1.11%	19-Feb	Rich
CSI300	IFB	19-Feb	New shorts	--	-7.62	0.07%	-2.79%	-0.60%	16-Feb	Cheap
CSI500	FFD	19-Feb	New shorts	--	-52.09	-2.01%	-12.34%	-4.33%	16-Feb	Cheap

Source: BofA Global Research. Roll costs are calculated using forecasted net dividends except for FTSE Taiwan, which use realized dividends. * SGX Nifty contract is used for historical data (GIFT is the new contract). Note that we are still far from the roll period in TWSE, CSI300 and CSI500 futures. C*: China, TW*: Taiwan, SG*: Singapore.** Change of positioning are based on changes in OI vs change in price and have into 5 kinds: New shorts, New longs, Shorts unwound, Longs unwound, and Unchanged (e.g. a decrease in price followed by a decrease in OI would likely suggest longs having been unwound.).

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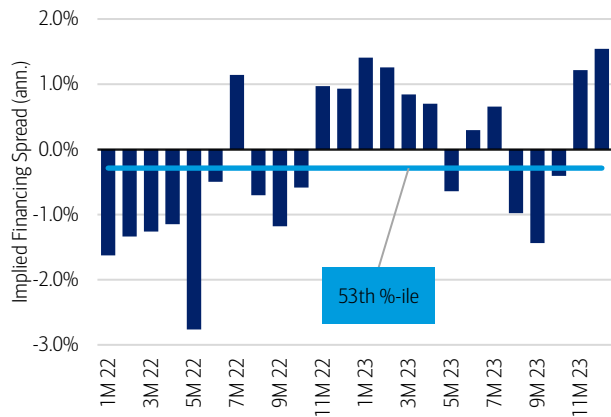
Timestamp: 18 January 2024 01:59PM EST

HSI – Hang Seng futures

HSI Jan/Feb futures roll (ticker: HI)

Exhibit 2: Hang Seng – Current roll is neutral versus recent history

The current roll is trading at -29bps. This is cheaper than last month (+154bps) and the 1-year average (+37bps).



Source: BofA Global Research. Data as of 18-Jan-24. The Percentile is based on data from Jan-22 to Dec-23.

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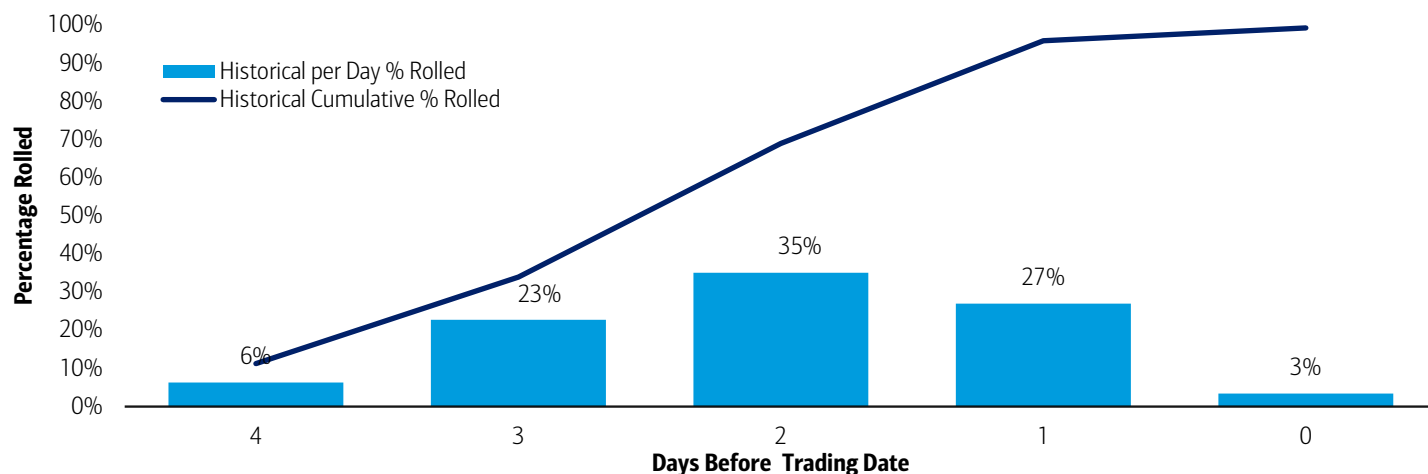
The Jan-24/Feb-24 Hang Seng (HI) futures roll is currently trading 29bps cheap to 1M Hibor** rates (based on forecasted gross dividends of 3.31 index points).

This is neutral versus recent years (53rd 2-year percentile; Exhibit 2). Roll strategy, from the perspective of long futures holders, is close to neutral.

Normally, we see the strongest roll activity in last 2-3 trading days (Exhibit 3).

Exhibit 3: HSI futures roll progression

Based on the volume traded in the futures spread contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Dec-23.

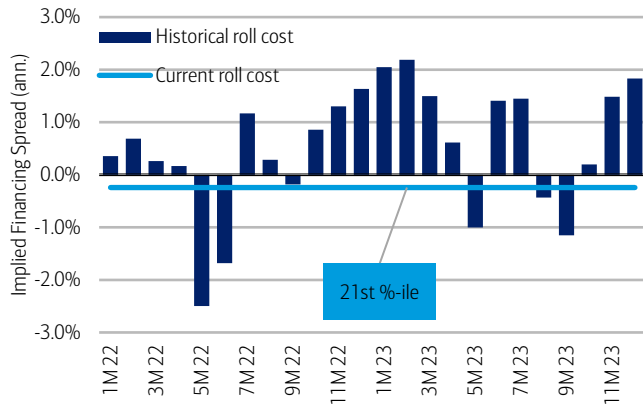
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HSCEI – Hang Seng China Enterprises futures

HSCEI Jan/Feb futures roll (ticker: HC)

Exhibit 4: Hang Seng China Enterprises – Current roll is cheap versus recent history

The current roll is trading at -24bps. This is cheaper than last month (+183bps) and the 1-year average (+84bps).



Source: BofA Global Research. Data as of 18-Jan-24. The Percentile is based on data from Jan-22 to Dec-23.

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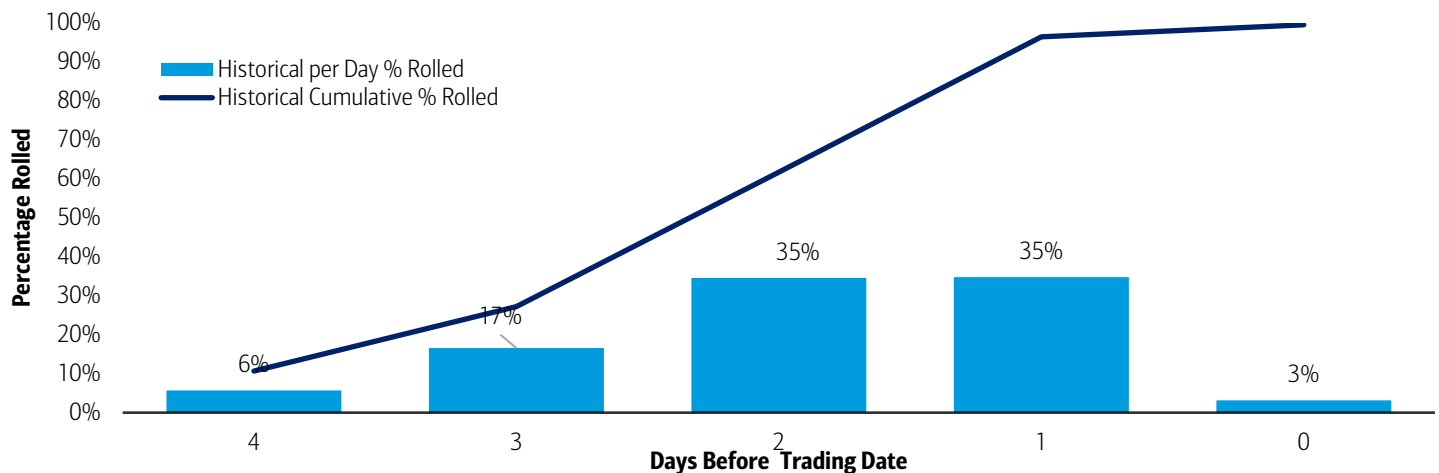
The Jan-24/Feb-24 Hang Seng China Enterprises (HC) futures roll is currently trading 24bps cheap to 1M Hibor** rates (based on forecasted gross dividends of 0.00 index points).

This is cheap versus recent years (21st 2-year percentile; Exhibit 4), and investors might want to make use of this statistical cheapness and roll long futures positions early.

Normally, we see the strongest roll activity in last 2-3 trading days (Exhibit 5).

Exhibit 5: HSCEI futures roll progression

Based on the volume traded in the futures spread contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Dec-23.

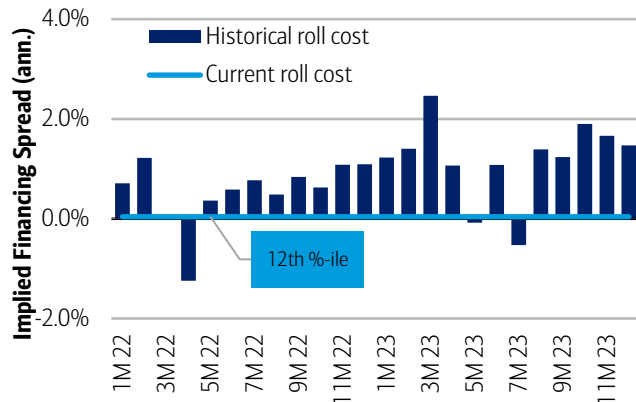
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HSTECH – Hang Seng TECH futures

HSTECH Jan/Feb futures roll (ticker: HCT)

Exhibit 6: Hang Seng TECH – Current roll is cheap versus recent history

The current roll is trading at +4bps. This is cheaper than last month (+147bps) but richer than the 1-year average (+119bps).



Source: BofA Global Research. Data as of 18-Jan-24. The Percentile is based on data from Jan-22 to Dec-23.

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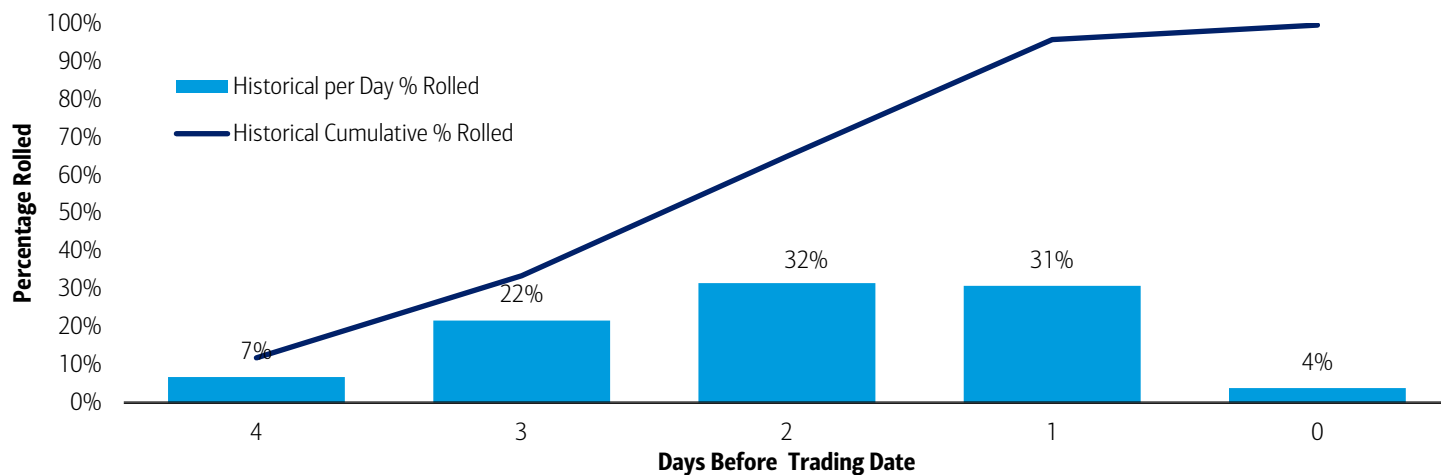
The Jan-24/Feb-24 Hang Seng TECH (HCT) futures roll is currently trading 4bps rich to 1M Hibor** rates (based on forecasted gross dividends of 0.0 index points).

This is cheap versus recent years (12th 2-year percentile; Exhibit 6), and investors might want to make use of this statistical cheapness and roll long futures positions early.

Normally, we see the strongest roll activity in last 2-3 trading days (Exhibit 7).

Exhibit 7: HSTECH futures roll progression

Based on the volume traded in the futures spread contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Dec-23.

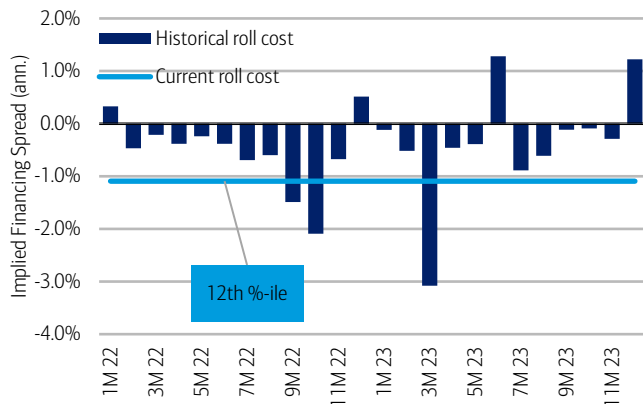
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MSCI Singapore futures

SIMSCI Jan/Feb futures roll (ticker: QZ)

Exhibit 8: MSCI Singapore – Current roll is cheap versus recent history

The current roll is trading at -109bps. This is cheaper than last month (+122bps) and the 1-year average (-34bps).



Source: BofA Global Research. Data as of 18-Jan-24. The Percentile is based on data from Jan-22 to Dec-23.

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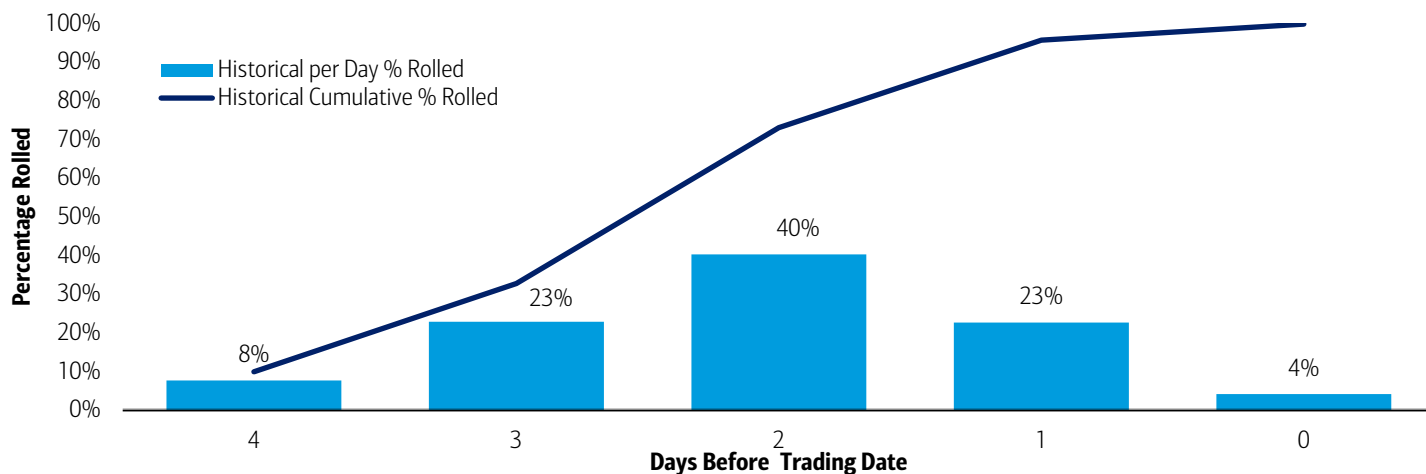
The Jan-24/Feb-24 MSCI Singapore (QZ) futures roll is currently trading 109bps cheap to SGD 1m Deposit (based on forecasted gross dividends of 0.76 index points).

This is cheap versus recent years (12th 2-year percentile; Exhibit 8), and investors might want to make use of this statistical cheapness and roll long futures positions early.

Normally, we see the strongest roll activity in last 2-3 trading days (Exhibit 9).

Exhibit 9: MSCI Singapore futures roll progression

Based on the volume traded in the futures spread contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Dec-23.

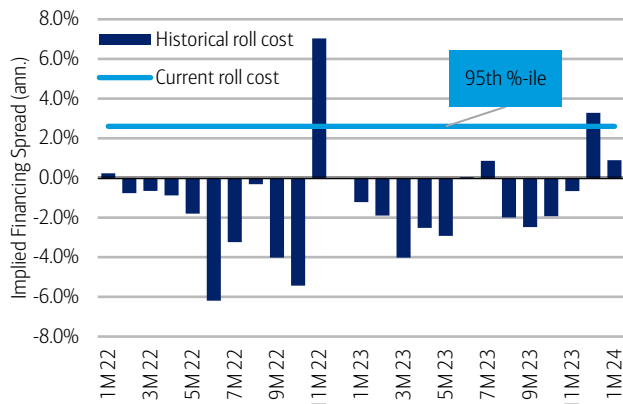
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Taix futures

TWSE Feb/Mar futures roll (ticker: FT)

Exhibit 10: TWSE – Current roll is rich versus recent history

The current roll is trading at +260bps. This is richer than last month (+89bps) and the 1-year average (-111bps).



Source: BofA Global Research. Data as of 18-Jan-24. The Percentile is based on data from Jan-22 to Jan-24.

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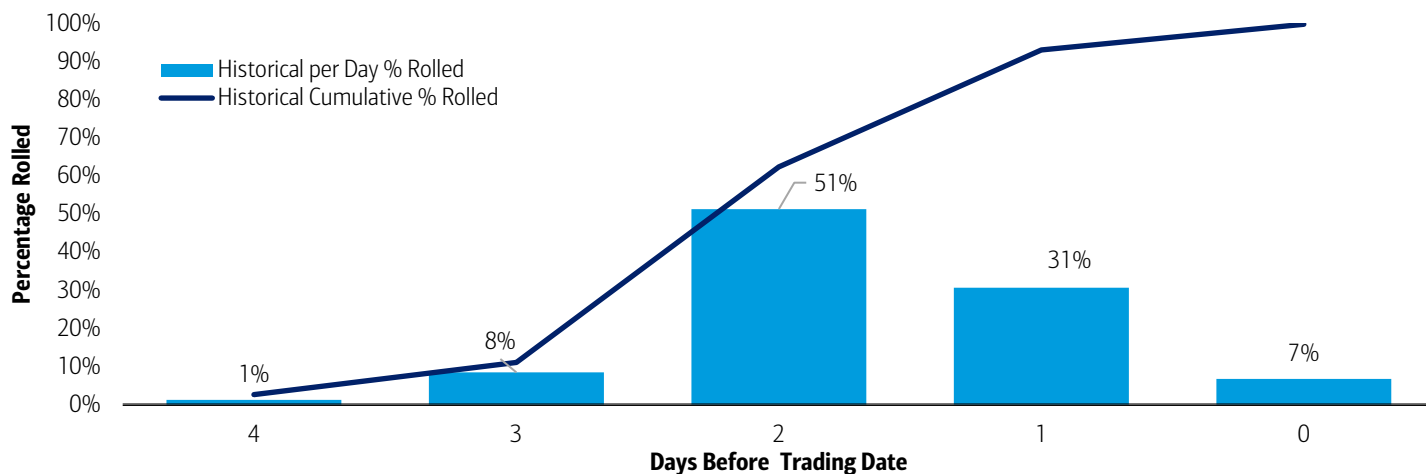
The Feb-24/Mar-24 TWSE (FT) futures roll is currently trading 260bps rich to USD SOFR (based on forecasted gross dividends of 30.82 index points).

This is rich versus recent years (95th 2-year percentile; Exhibit 10), and investors might want to make use of this statistical richness and roll long futures positions later.

Normally, we see the strongest roll activity in last 2-3 trading days (Exhibit 11).

Exhibit 11: TWSE futures roll progression

Based on the volume traded in the futures spread contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Jan-24.

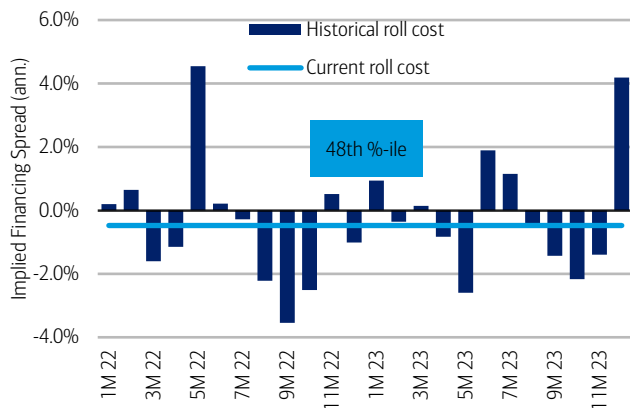
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FTSE Taiwan futures

FTSE Taiwan Jan/Feb futures roll (ticker: TWT)

Exhibit 12: FTSE Taiwan – Current roll is neutral versus recent history

The current roll is trading at -48bps. This is cheaper than last month (+419bps) and the 1-year average (-8bps).



Source: BofA Global Research. Data as of 18-Jan-24. The Percentile is based on data from Jan-22 to Dec-23.

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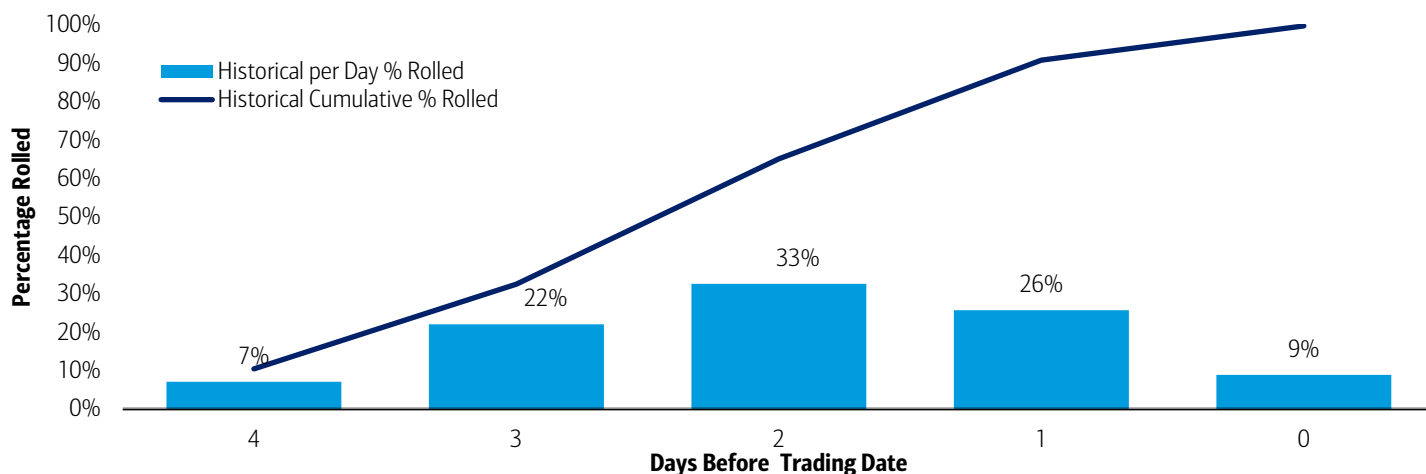
The Jan-24/Feb-24 FTSE Taiwan (TWT) futures roll is currently trading 48bps cheap to USD SOFR (based on 0.2 forecasted dividends).

This is neutral versus recent years (48th 2-year percentile; Exhibit12). Roll strategy, from the perspective of long futures holders, is close to neutral.

Normally, we see the strongest roll activity in last 2-3 trading days (Exhibit 13).

Exhibit 13: FTSE Taiwan futures roll progression

Based on the volume traded in the futures spread contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Dec-23.

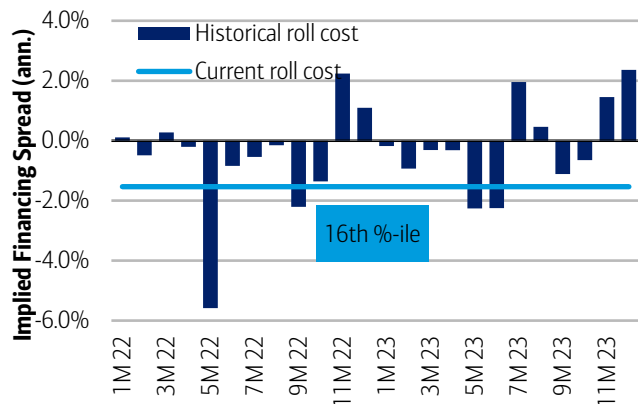
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MSCI Taiwan futures

MSCI Taiwan Jan/Feb futures roll (ticker: HJA)

Exhibit 14: MSCI Taiwan – Current roll is cheap versus recent history

The current roll is trading at -153bps. This is cheaper than last month (+236bps) and the 1-year average (-15bps).



Source: BofA Global Research. Data as of 18-Jan-24. The Percentile is based on data from Jan-22 to Dec-23.

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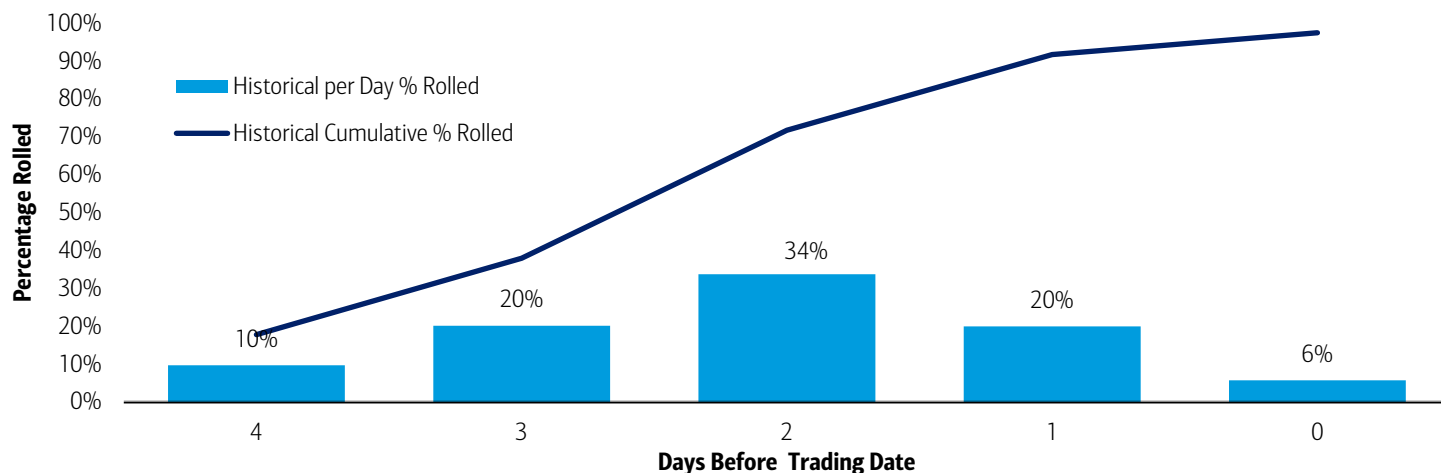
The Jan-24/Feb-24 MSCI Taiwan (HJA) futures roll is currently trading 153bps cheap to USD SOFR (based on 0.03 forecasted dividends).

This is cheap versus recent years (16th 2-year percentile; Exhibit 14), and investors might want to make use of this statistical cheapness and roll long futures positions early.

Normally, we see the strongest roll activity in last 2-3 trading days (Exhibit 15).

Exhibit 15: MSCI Taiwan futures roll progression

Based on the volume traded in the futures spread contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Dec-23.

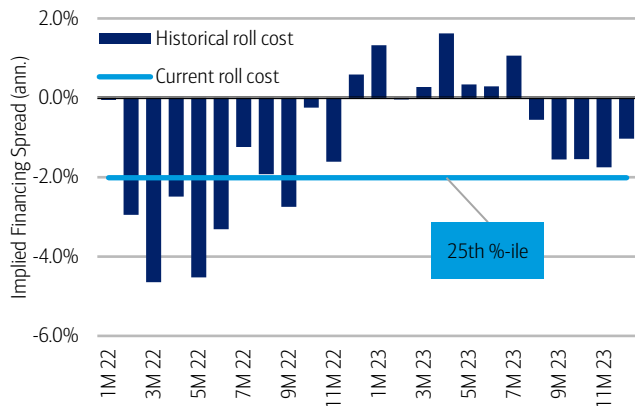
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FTSE China A50 futures

FTSE China A50 Jan/Feb futures roll (ticker: XU)

Exhibit 16: FTSE China A50 – Current roll is cheap versus recent history

The current roll is trading at -201bps. This is cheaper than last month (-103bps) and the 1-year average (-13bps).



Source: BofA Global Research. Data as of 18-Jan-24. The Percentile is based on data from Jan-22 to Dec-23.

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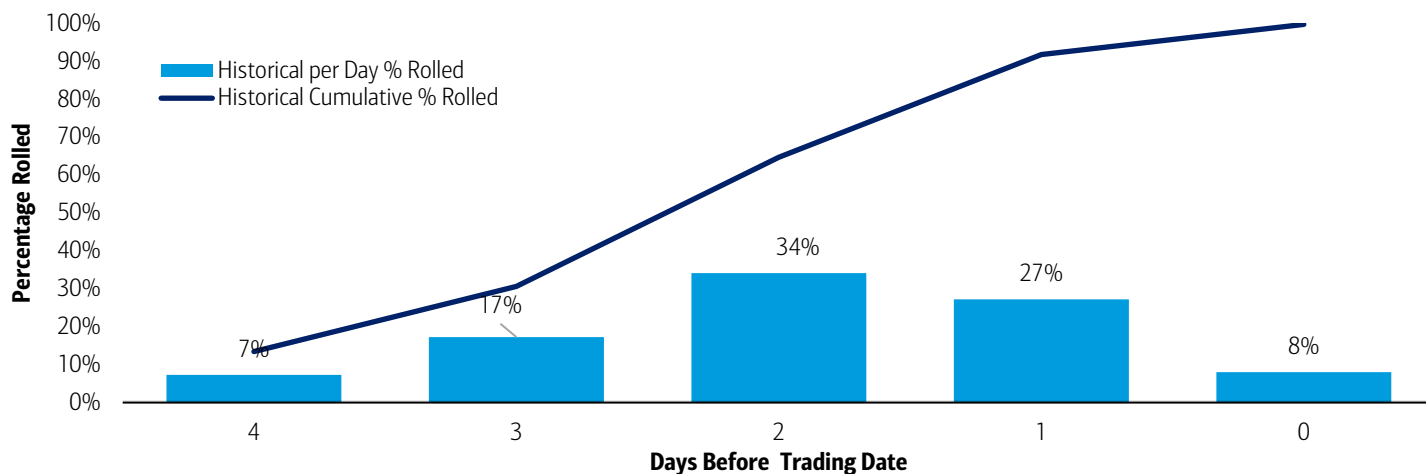
The Jan-24/Feb-24 FTSE China A50 (XU) futures roll is currently trading 201bps cheap to USD SOFR (based on forecasted gross dividends of 0.00 index points).

This is cheap versus recent years (25th 2-year percentile; Exhibit 16), and investors might want to make use of this statistical cheapness and roll long futures positions early.

Normally, we see the strongest roll activity in last 2-3 trading days (Exhibit 17).

Exhibit 17: FTSE China A50 futures roll progression

Based on the volume traded in the futures spread contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Dec-23.

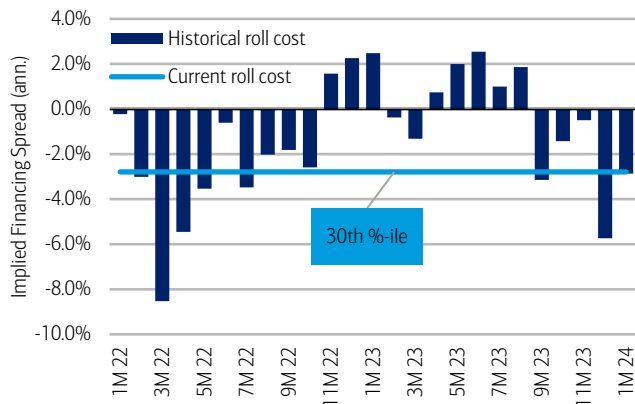
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CSI300 futures

CSI300 futures Feb/Mar futures roll (ticker: IFB)

Exhibit 18: CSI300 futures – Current roll is cheap versus recent history

The current roll is trading at -279bps. This is richer than last month (-287bps) but cheaper than the 1-year average (-60bps).



Source: BofA Global Research. Data as of 18-24. The Percentile is based on data from Jan-22 to Jan-24.

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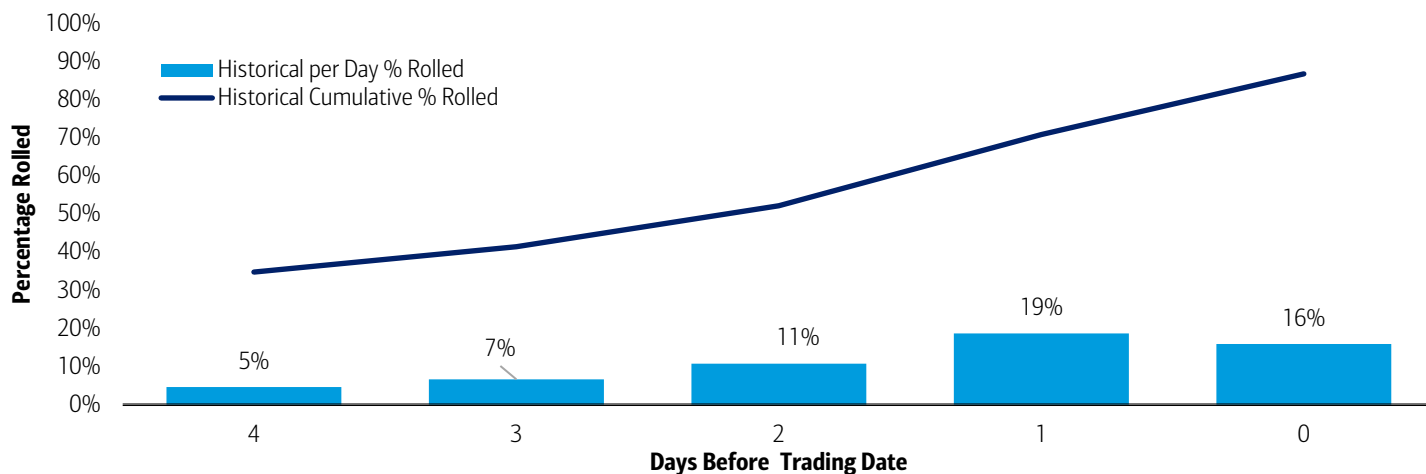
The Feb-24/Feb-24 CSI300 futures (IFB) futures roll traded -279bps cheap to USD SOFR (based on forecasted gross dividends of 0.05 index points).

This is cheap versus recent years 30th 2-year percentile; Exhibit 18), and investors might want to make use of this statistical cheapness and roll long futures positions early.

Normally, we see the strongest roll activity in last 2 trading days (Exhibit 19).

Exhibit 19: CSI300 futures roll progression

Based on the open interest traded in the futures contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Jan-24.

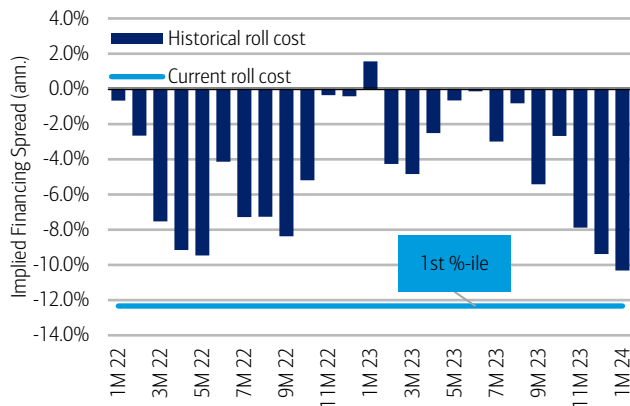
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CSI500 futures

CSI500 futures Feb/Mar futures roll (ticker: FFD)

Exhibit 20: CSI500 futures – Current roll is cheap versus recent history

The current roll is trading at -1,234bps. This is cheaper than last month (-1,032bps) and the 1-year average (-433bps).



Source: BofA Global Research. Data as of 18-Jan-24. The Percentile is based on data from Jan-22 to Jan-24.

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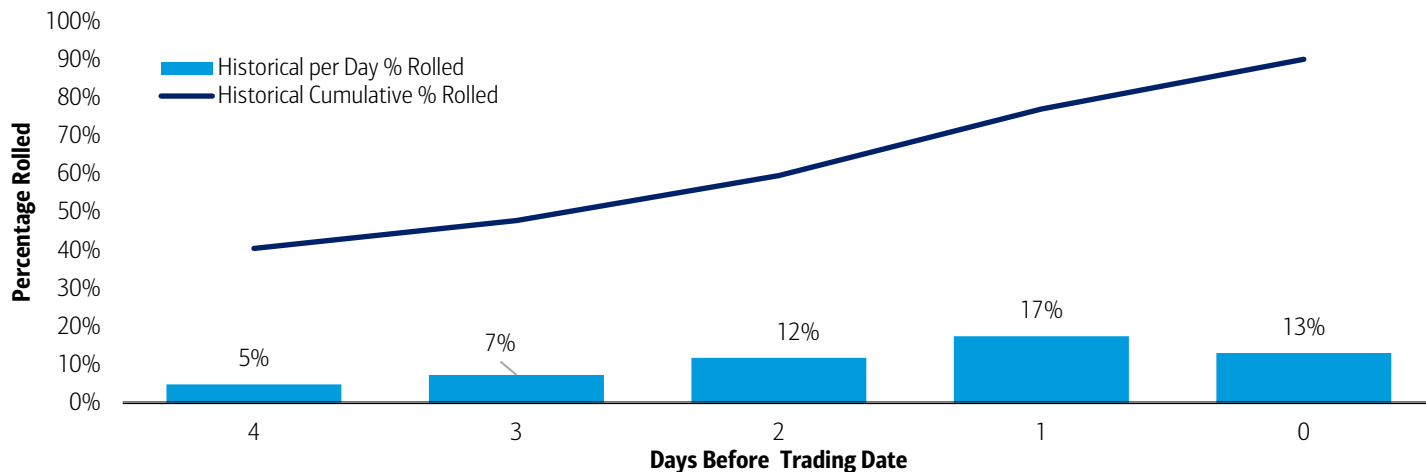
The Feb-24/Mar-24 CSI500 futures (FFD) futures roll traded 1,234bps cheap to USD SOFR (based on forecasted gross dividends of 0.00 index points).

This is cheap versus recent years (1st 2-year percentile; Exhibit 20), and investors might want to make use of this statistical cheapness and roll long futures positions early.

Normally, we see the strongest roll activity in last 2 trading days (Exhibit 21).

Exhibit 21: CSI500 futures roll progression

Based on the open interest traded in the futures contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Jan-24.

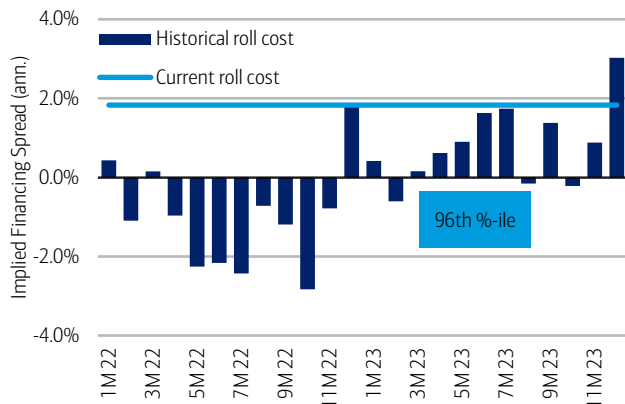
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NSE NIFTY 50 futures

NSE NIFTY 50 Jan/Feb futures roll (ticker: NZ)

Exhibit 22: NSE NIFTY 50 – Current roll is rich versus recent history

The current roll is trading at +183bps. This is cheaper than last month (+303bps) but richer than the 1-year average (+81bps).



Source: BofA Global Research. Data as of 18-Jan-24. The Percentile is based on data from Jan-22 to Dec-23.

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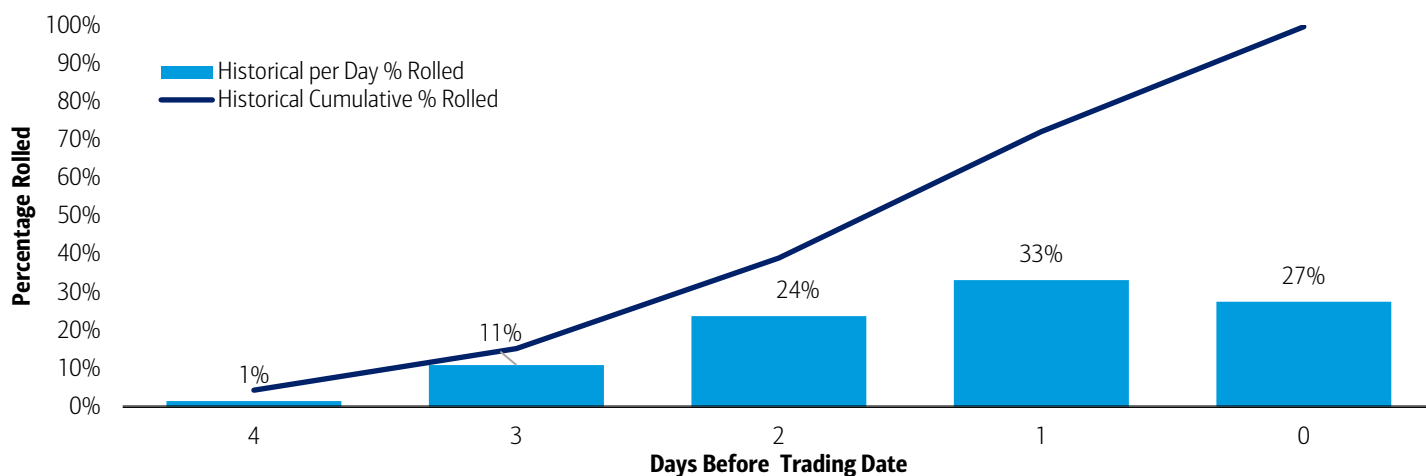
The Jan-24/Feb-24 NSE NIFTY 50 (NZ) futures roll is currently trading 183bps rich to 1M INR Swap (based on forecasted gross dividends of 38.17 index points).

This is rich versus recent years (96th 2-year percentile; Exhibit 22), and investors might want to make use of this statistical richness and roll long futures positions later.

Normally, we see the strongest roll activity in last 2 trading days (Exhibit 23).

Exhibit 23: NSE NIFTY 50 roll progression

Based on the volume traded in the futures spread contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Dec-23.

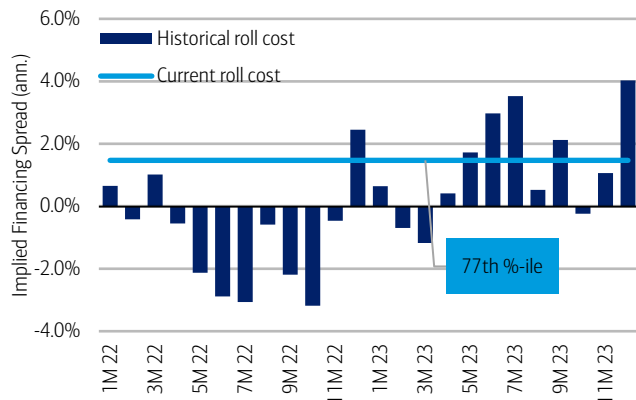
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GIFT Nifty futures

GIFT Nifty Jan/Feb futures roll (ticker: JGS)

Exhibit 24: GIFT Nifty* – Current roll is rich versus recent history

The current roll is trading at +147bps. This is cheaper than last month (+403bps) and the 1-year average (+124bps).



Source: BofA Global Research. Data as of 18-Jan-24. The Percentile is based on data from Jan-22 to Dec-23. We have used the SGX Nifty contract for historical data (GIFT is the new contract).

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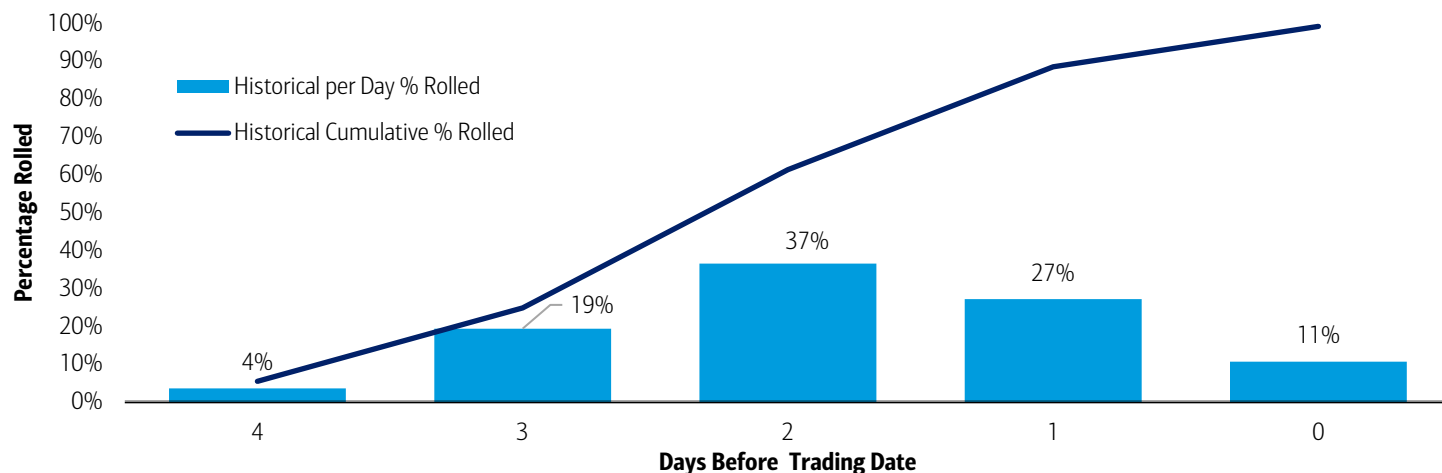
The Jan-24/Feb-24 GIFT Nifty (JGS) futures roll is currently trading 147bps rich to 1M INR Swap (based on forecasted gross dividends of 38.17 index points).

This is rich versus recent years (77th 2-year percentile; Exhibit 24), and investors might want to make use of this statistical richness and roll long futures positions later.

Normally, we see the strongest roll activity in last 2-3 trading days (Exhibit 25).

Exhibit 25: GIFT Nifty roll progression

Based on the volume traded in the futures spread contract



Source: BofA Global Research. Historical rolled is the average based on contracts from Jan-23 to Dec-23.

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