

## Asia Pac Derivatives

## Asia equity futures roll preview: Feb 2024

## Roll longs in FTSE Taiwan and HSTECH early

As of 16 Feb close, the FTSE Taiwan (TWT) and HSTECH (HCT) rolls traded 252bps and 5bps cheap (based on forecasted gross dividends of 2.46 and 0.00 index points), respectively. These roll costs correspond to the 8th and 13th 2-year percentiles, respectively. Investors that are long these futures might consider rolling early to lock in these relatively cheap levels.

## Roll longs in Hang Seng and GIFT Nifty late

The Hang Seng (HI) and GIFT Nifty (JGS) rolls look particularly rich, trading 276bps and 148bps rich (based on forecasted gross dividends of 122.28 and 5.85 index points), respectively. These roll costs correspond to the 99th and 73rd 2-year percentiles, respectively. As such, investors may make use of this statistical richness and roll long futures positions later.

16 February 2024

Equity Derivatives  
Asia Pacific

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**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, except for CSI300 and CSI500 (these are greyed out as the Feb contract expired on 20-Feb and with no Apr contract listed there is not much value either in focusing on the Mar roll instead of Feb). 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	28-Feb	New longs	0.8%	-30.08	0.05%	-3.06%	-0.50%	26-Feb	Roll early
FTSE TW*	TWT	27-Feb	New longs	0.9%	-3.33	-2.86%	-2.52%	-0.13%	23-Feb	Roll early
Hang Seng	HI	28-Feb	Shorts unwound	9.8%	37.57	2.92%	2.76%	0.24%	26-Feb	Roll late
NSE Nifty	NZ	29-Feb	New longs	9.5%	13.41	-0.68%	0.73%	0.90%	28-Feb	Roll late
GIFT Nifty*	JGS	29-Feb	Shorts unwound	0.1%	27.11	-0.94%	1.48%	1.39%	27-Feb	Roll late
HSCEI	HC	28-Feb	New longs	26.5%	0.77	0.21%	0.17%	0.67%	26-Feb	Roll early
MSCI SG*	QZ	28-Feb	New longs	0.1%	-0.20	-0.81%	-0.83%	-0.33%	26-Feb	Roll early
HSTECH	HCT	28-Feb	New longs	23.1%	-0.14	0.00%	-0.05%	1.08%	26-Feb	Roll early
MSCI TW*	HJA	27-Feb	Shorts unwound	1.9%	-0.96	-1.88%	-1.59%	-0.11%	23-Feb	Roll early
TWSE	FT	20-Mar	New longs	--	-30.16	-0.11%	-1.94%	-1.11%	18-Mar	Roll early
CSI300	IFB	19-Feb	Shorts unwound	--	-20.63	5.40%	-7.36%	-1.85%	16-Feb	Roll early
CSI500	FFD	19-Feb	Shorts unwound	--	-37.99	4.60%	-8.85%	-5.67%	16-Feb	Roll early

**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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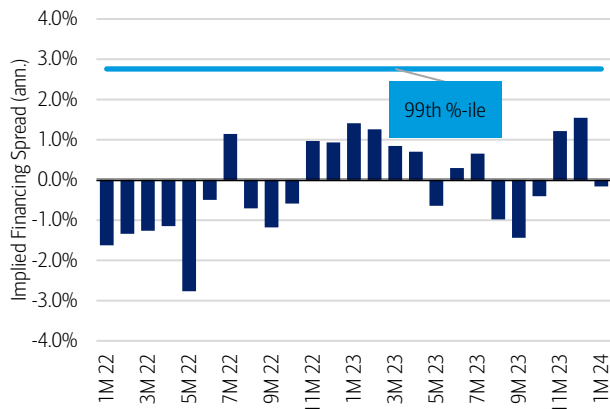
Timestamp: 16 February 2024 10:40AM EST

# HSI – Hang Seng futures

## HSI Feb/Mar futures roll (ticker: HI)

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

The current roll is trading at +276bps. This is richer than last month (-16bps) and the 1-year average (+24bps).



Source: BofA Global Research. Data as of 16-Feb-24. The Percentile is based on data from Jan-22 to Jan-24.

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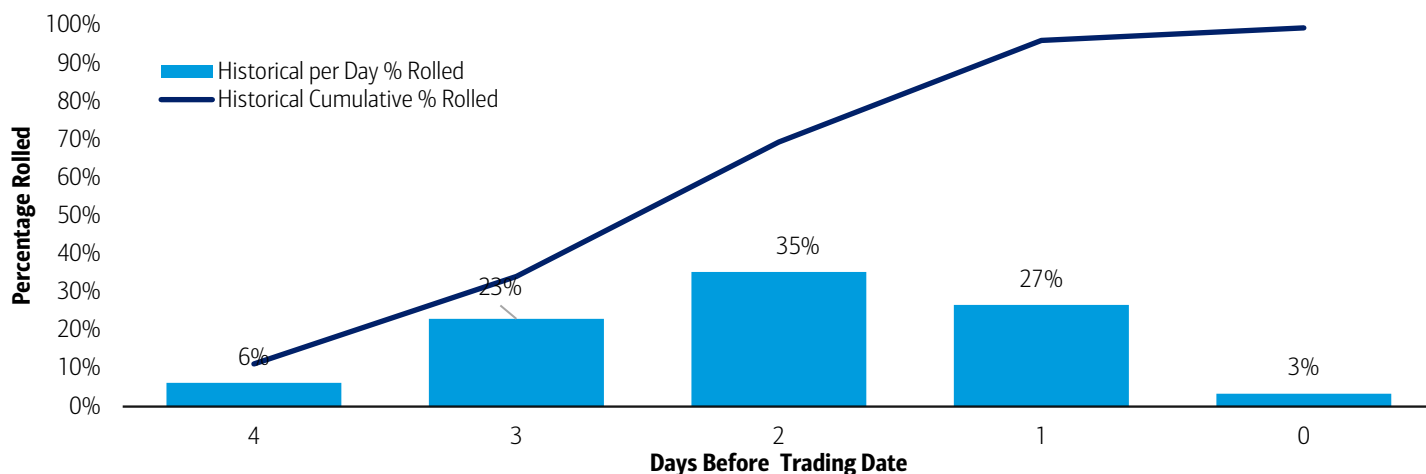
The Feb-24/Mar-24 Hang Seng (HI) futures roll is currently trading 276bps rich to 1M Hibor\*\* rates (based on forecasted gross dividends of 122.28 index points).

This is rich versus recent years (99th 2-year percentile; Exhibit 2) 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 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 Jan-24.

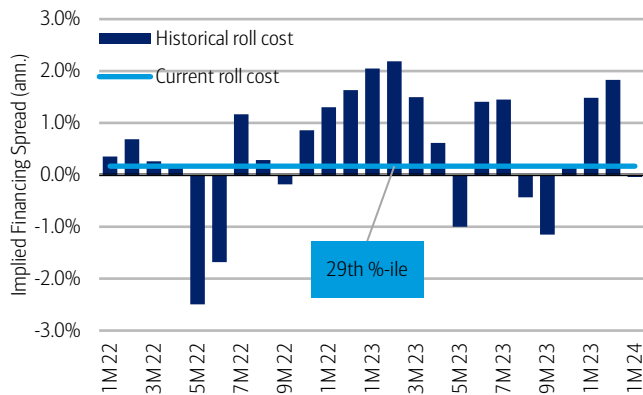
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# HSCEI – Hang Seng China Enterprises futures

## HSCEI Feb/Mar futures roll (ticker: HC)

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

The current roll is trading at +17bps. This is richer than last month (-4bps) but cheaper than the 1-year average (+67bps).



Source: BofA Global Research. Data as of 16-Feb-24. The Percentile is based on data from Jan-22 to Jan-24.

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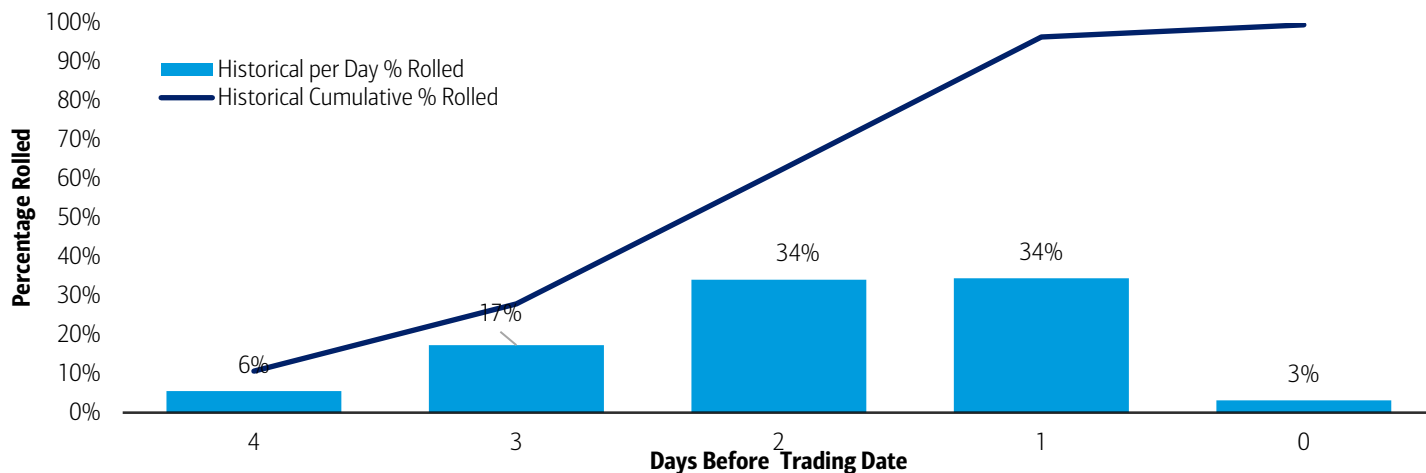
The Feb-24/Mar-24 Hang Seng China Enterprises (HC) futures roll is currently trading 17bps rich to 1M Hibor\*\* rates (based on forecasted gross dividends of 0.49 index points).

This is cheap versus recent years (29th 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 Jan-24.

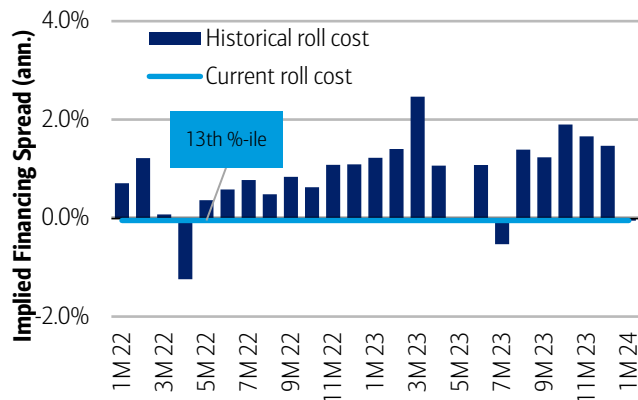
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# HSTECH – Hang Seng TECH futures

## HSTECH Feb/Mar futures roll (ticker: HCT)

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

The current roll is trading at -5bps. This is close to last month (-5bps) but cheaper than 1-year average (+108bps).



Source: BofA Global Research. Data as of 16-Feb-24. The Percentile is based on data from Jan-22 to Jan-24.

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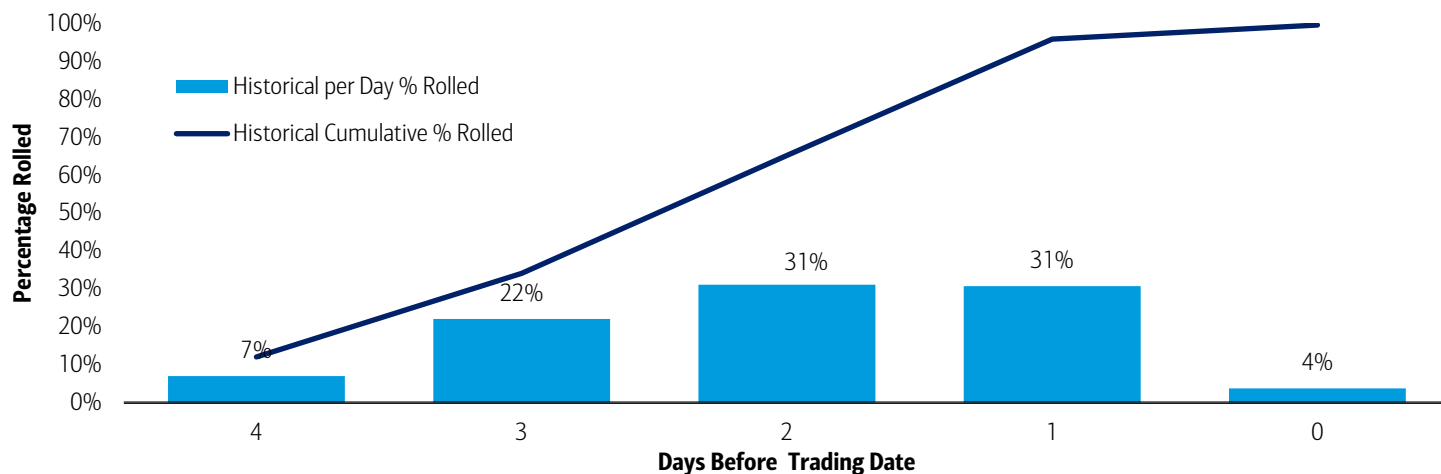
The Feb-24/Mar-24 Hang Seng TECH (HCT) futures roll is currently trading 5bps cheap to 1M Hibor\*\* rates (based on forecasted gross dividends of 1.12 index points).

This is cheap versus recent years (13th 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 Jan-24.

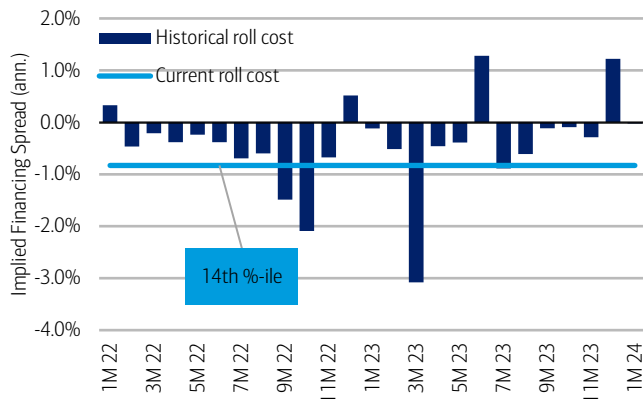
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# MSCI Singapore futures

## SIMSCI Feb/Mar futures roll (ticker: QZ)

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

The current roll is trading at -83bps. This is cheaper than last month (-2bps) and the 1-year average (-33bps).



Source: BofA Global Research. Data as of 16-Feb-24. The Percentile is based on data from Jan-22 to Jan-24.

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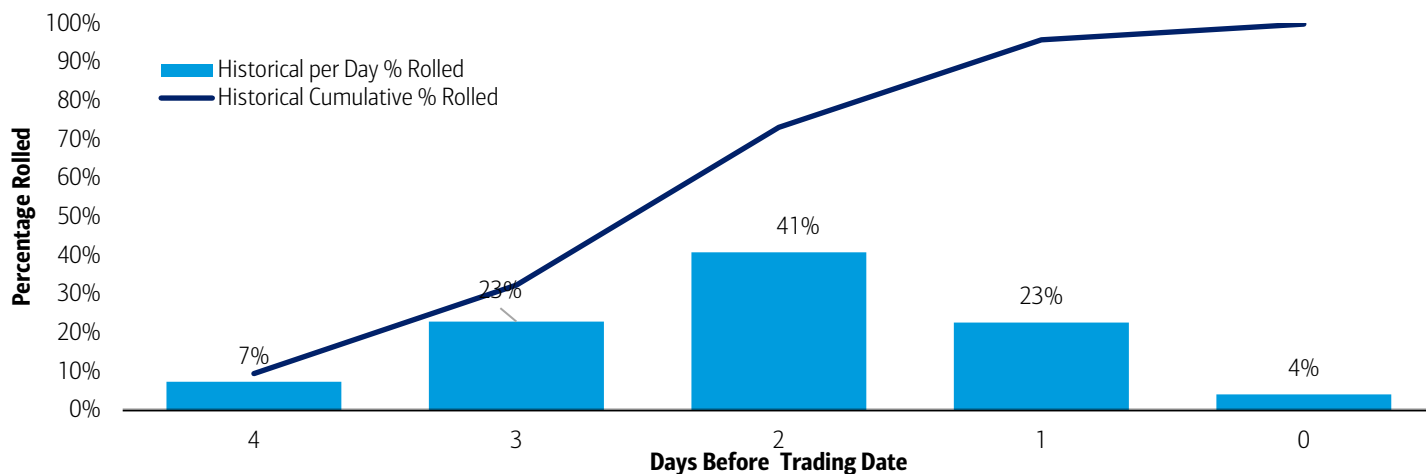
The Feb-24/Mar-24 MSCI Singapore (QZ) futures roll is currently trading 83bps cheap to SGD 1m Deposit (based on forecasted gross dividends of 0.00 index points).

This is cheap versus recent years (14th 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 Jan-24.

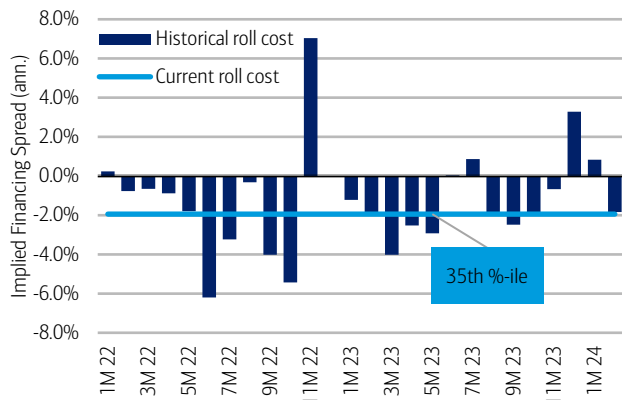
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# Taiex futures

## TWSE Mar/Apr futures roll (ticker: FT)

### Exhibit 10: TWSE – Current roll is cheap versus recent history

The current roll is trading at -194bps. This is cheaper than last month (-184bps) and the 1-year average (-111bps).



Source: BofA Global Research. Data as of 16-Feb-24. The Percentile is based on data from Jan-22 to Feb-24.

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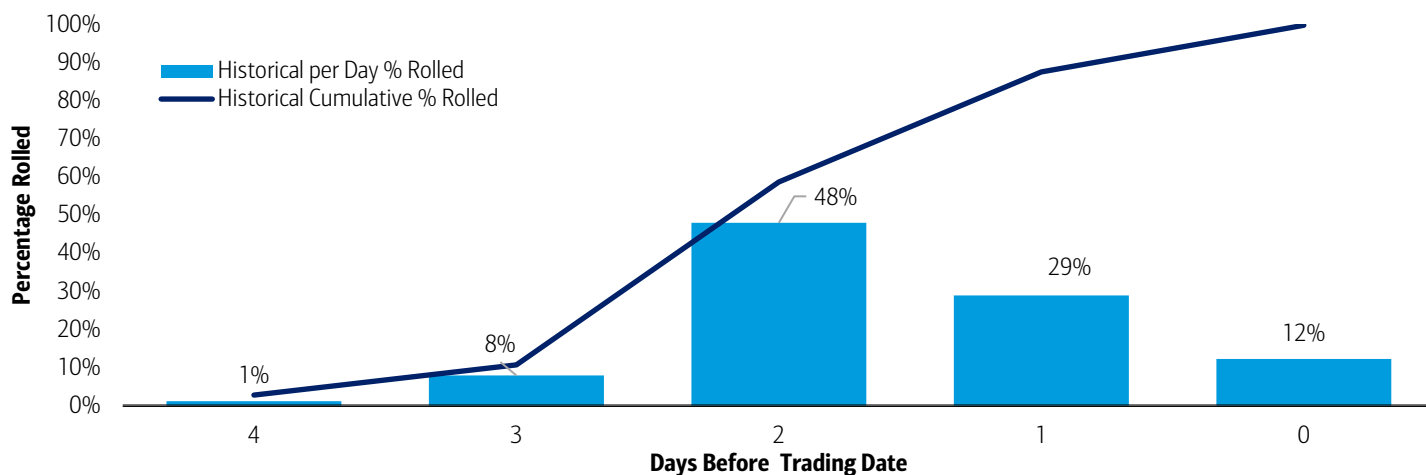
The Mar-24/Apr-24 TWSE (FT) futures roll is currently trading 194bps cheap to USD SOFR (based on forecasted gross dividends of 42.48 index points).

This is cheap versus recent years (35th 2-year percentile; Exhibit 10), 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 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 Feb-24.

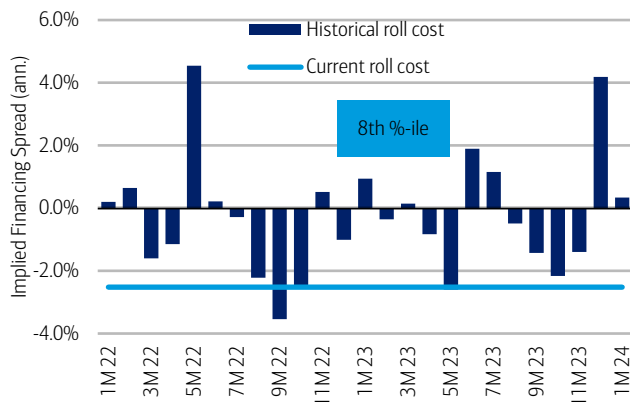
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# FTSE Taiwan futures

## FTSE Taiwan Feb/Mar futures roll (ticker: TWT)

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

The current roll is trading at -252bps. This is cheaper than last month (+34bps) and the 1-year average (-13bps).



Source: BofA Global Research. Data as of 16-Feb-24. The Percentile is based on data from Jan-22 to Jan-24.

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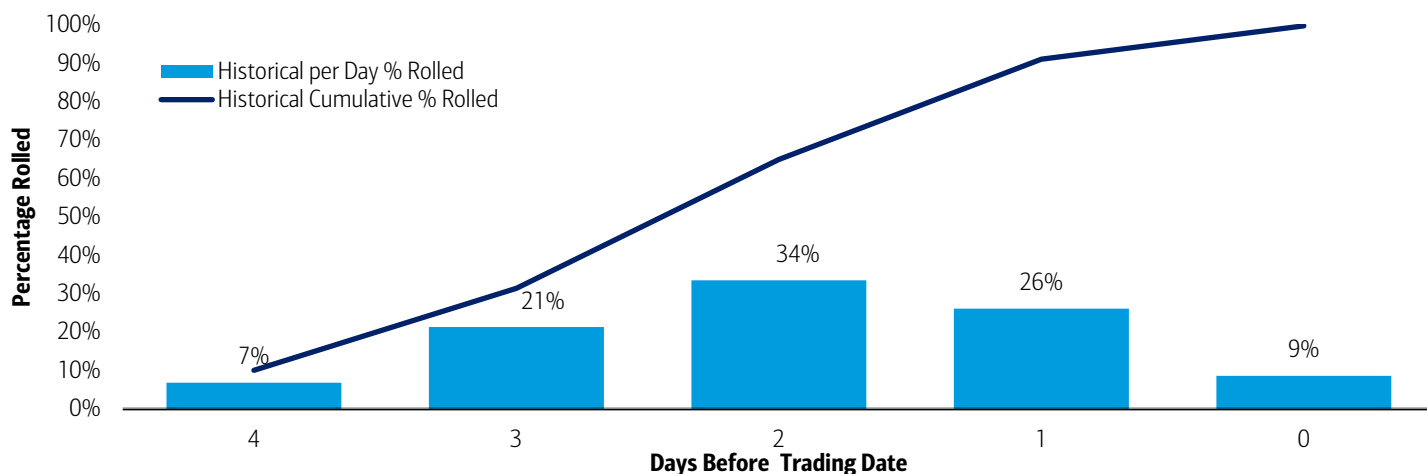
The Feb-24/Mar-24 FTSE Taiwan (TWT) futures roll is currently trading 252bps cheap to USD SOFR (based on 2.46 forecasted dividends).

This is cheap versus recent years (8th 2-year percentile; Exhibit 12), 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 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 Jan-24.

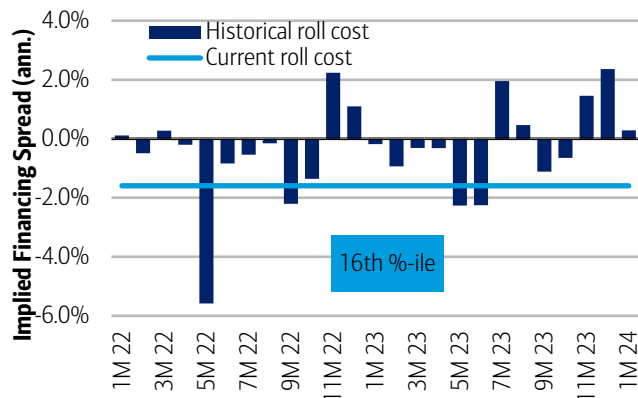
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# MSCI Taiwan futures

## MSCI Taiwan Feb/Mar futures roll (ticker: HJA)

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

The current roll is trading at -159bps. This is cheaper than last month (+28bps) and the 1-year average (-11bps).



Source: BofA Global Research. Data as of 16-Feb-24. The Percentile is based on data from Jan-22 to Jan-24.

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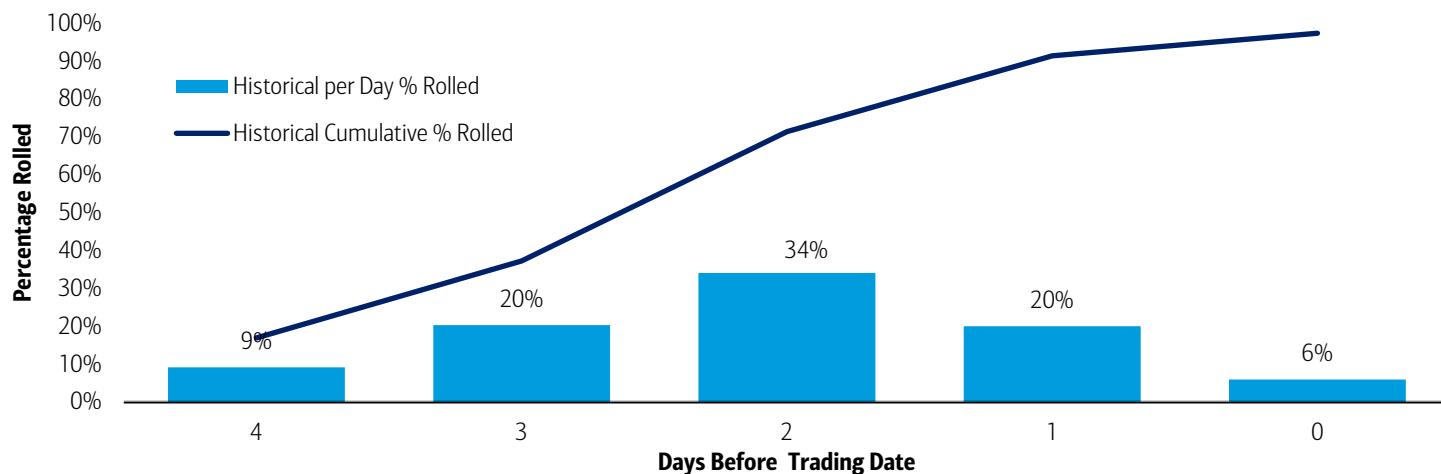
The Feb-24/Mar-24 MSCI Taiwan (HJA) futures roll is currently trading 159bps cheap to USD SOFR (based on 1.91 forecasted dividends).

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 Jan-24.

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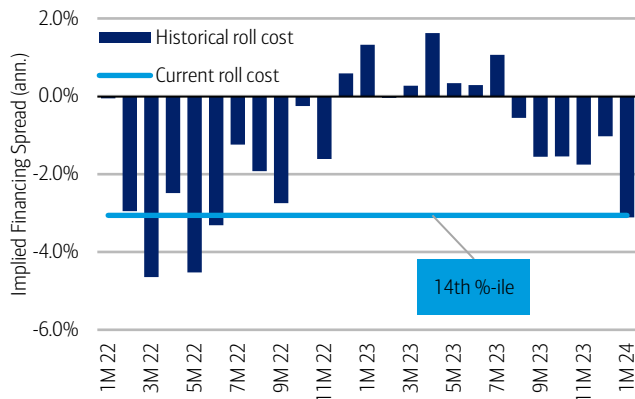


# FTSE China A50 futures

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

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

The current roll is trading at -306bps. This is cheaper than last month (-311bps) and the 1-year average (-50bps).



Source: BofA Global Research. Data as of 16-Feb-24. The Percentile is based on data from Jan-22 to Jan-24. Using the same futures basis as of 8-Feb-24 due to Chinese new year.

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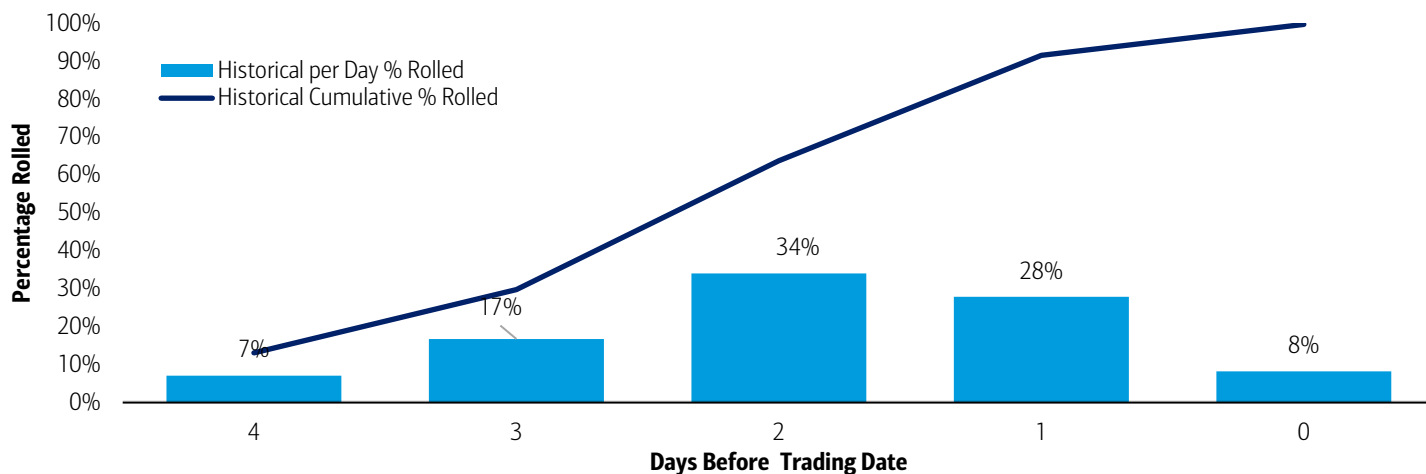
The Feb-24/Mar-24 FTSE China A50 (XU) futures roll is currently trading 306bps cheap to USD SOFR (based on forecasted gross dividends of 0.00 index points).

This is cheap versus recent years (14th 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 Jan-24.

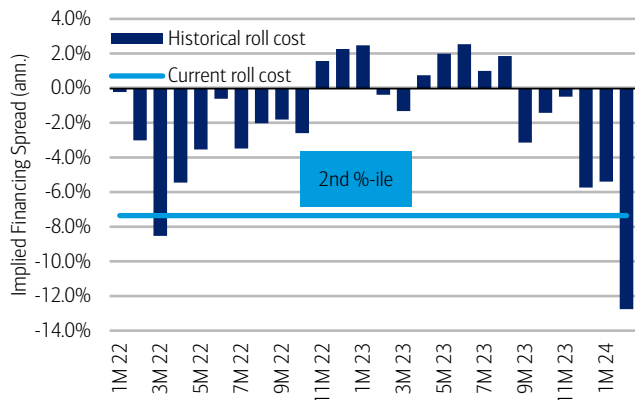
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# CSI300 futures

## 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 -736bps. This is richer than last month (-1,276bps) but cheaper than the 1-year average (-185bps).



Source: BofA Global Research. Data as of 8-Feb-24. The Percentile is based on data from Jan-22 to Feb-24. Roll cost of last month is based on Feb contract.

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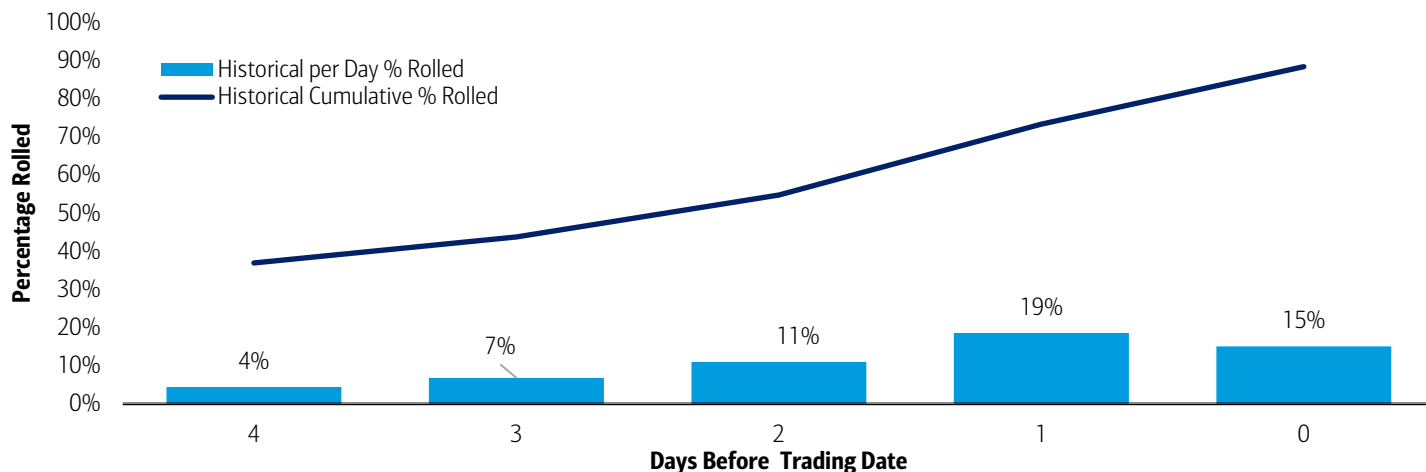
The Feb-24/Feb-24 CSI300 futures (IFB) futures roll traded -736bps cheap to USD SOFR (based on forecasted gross dividends of 0.00 index points).

This is cheap versus recent years (2nd 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 Feb-24.

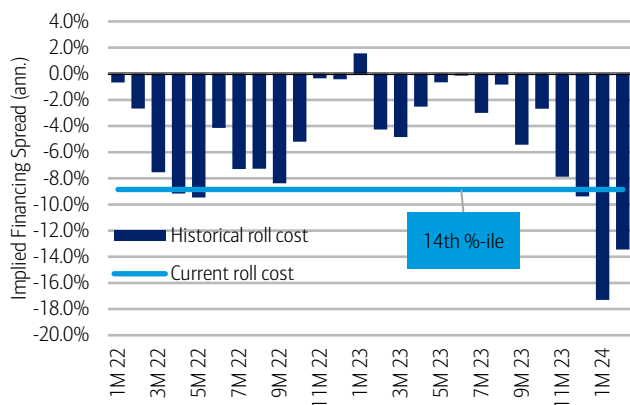
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# CSI500 futures

## 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 -885bps. This is richer than last month (-1,345bps) but cheaper than the 1-year average (-567bps).



**Source:** BofA Global Research. Data as of 8-Feb-24. The Percentile is based on data from Jan-22 to Feb-24. Roll cost of last month is based on Feb contract.

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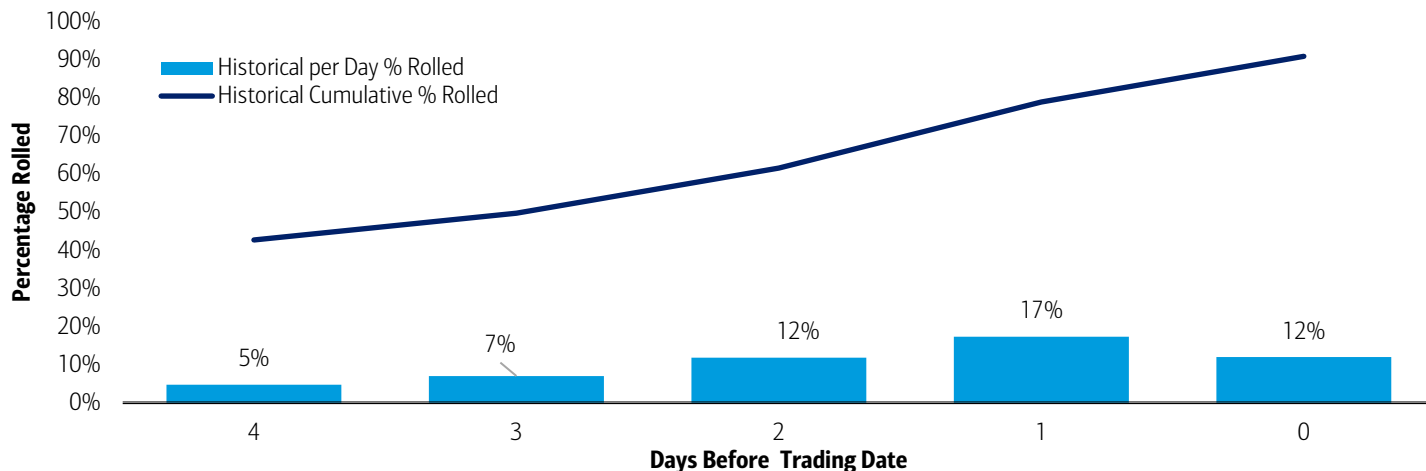
The Feb-24/Mar-24 CSI500 futures (FFD) futures roll traded 885bps cheap to USD SOFR (based on forecasted gross dividends of 0.00 index points).

This is cheap versus recent years (14th 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 Feb-24.

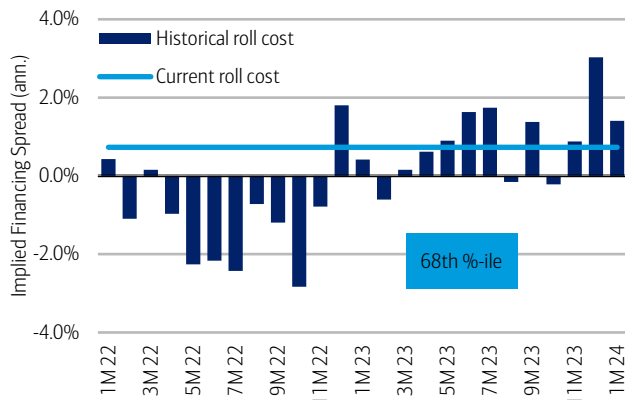
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# NSE NIFTY 50 futures

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

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

The current roll is trading at +73bps. This is cheaper than last month (+141bps) and the 1-year average (+90bps).



Source: BofA Global Research. Data as of 16-Feb-24. The Percentile is based on data from Jan-22 to Jan-24.

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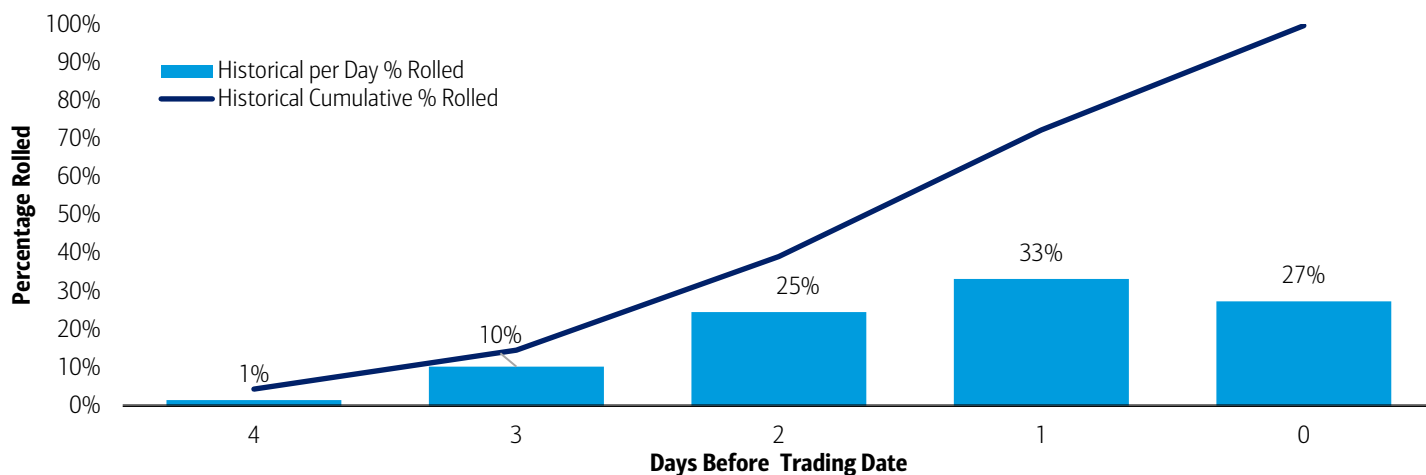
The Feb-24/Mar-24 NSE NIFTY 50 (NZ) futures roll is currently trading 73bps rich to 1M INR Swap (based on forecasted gross dividends of 5.85 index points).

This is rich versus recent years (68th 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 Jan-24.

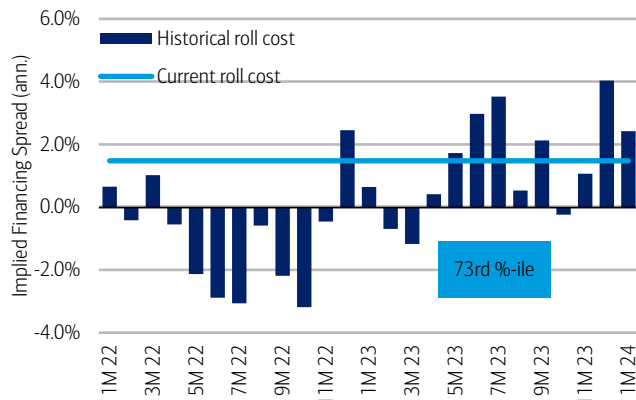
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# GIFT Nifty futures

## GIFT Nifty Feb/Mar futures roll (ticker: JGS)

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

The current roll is trading at +148bps. This is cheaper than last month (+242bps) but richer than the 1-year average (+139bps).



Source: BofA Global Research. Data as of 16-Feb-24. The Percentile is based on data from Jan-22 to Jan-24. We have used the SGX Nifty contract for historical data (GIFT is the new contract).

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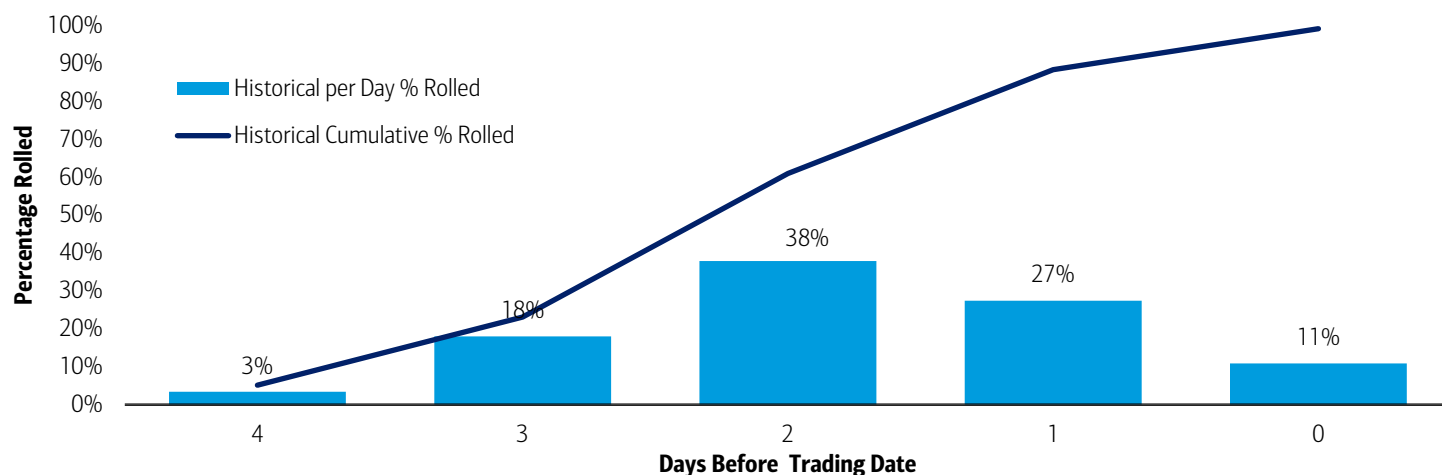
The Feb-24/Mar-24 GIFT Nifty (JGS) futures roll is currently trading 148bps rich to 1M INR Swap (based on forecasted gross dividends of 5.85 index points).

This is rich versus recent years (73rd 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 Jan-24.

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