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Research Paper No. 60: A Review of the Global and Local Securities Markets in 2016

20 January 2017

Executive Summary

1. In the US, the Dow, S&P 500 (S&P) and Nasdaq gained 13.4%, 9.5% and 7.5% respectively in 2016. Early in the year, the US market dropped amid uncertainties about the global economic outlook and volatile commodity prices. Later, stimulus policies by major central banks and a recovery in oil prices paced gains. The market hit a record high amid improved economic data and expectations of the President-elect's supportive economic initiatives. Abundant market liquidity provided support despite lingering concerns about future interest rate hikes.
2. In Europe, the FTSE, DAX and CAC advanced 14.4%, 6.9% and 4.9% respectively. Markets fell in early 2016 on the back of a dim economic outlook. In June, financial and political uncertainties were heightened after the Brexit[1] vote. Major markets rose later in the year, underpinned by stimulus measures by the Bank of England and the European Central Bank (ECB).
3. In Asia, the Nikkei 225 Index rose 0.4% in 2016, marking the fifth consecutive year of gains. Exporters paced gains on a weakening yen. The performance of other major regional markets was mixed in 2016, ranging from a 3% drop in Malaysia to a 19.8% increase in Thailand.
4. On the Mainland, the Shanghai Composite Index (SHCOMP) dropped 12.3% and the Shenzhen Composite Index (SZCOMP) fell 14.7%. The market was volatile given worries about a succession of bubbles across different asset classes and the Mainland's regulatory tightening to address market risks. In early 2016, the market dropped amid worries and uncertainties about the economic outlook and a weakening of the renminbi. Subsequently, the market rebounded on the back of expectations of state-owned enterprise reforms and solid corporate earnings. However, the market corrected later in the year amid the tightening of rules on insurers' stock-trading activities as well as liquidity concerns.
5. In Hong Kong, the Hang Seng Index (HSI) rose 0.4%, whilst the Hang Seng China Enterprises Index (HSCEI) dropped 2.8%. Following the decline in the Mainland stock market in early 2016, the Hong Kong market fell on lingering worries about the Mainland's economic slowdown and renminbi volatility. Since July, the local market rebounded on expectations of a delay in US interest rate hikes. In late 2016, despite optimism about supportive market policies promised by the US President-elect, investor sentiment was affected by the signal of an accelerated pace of rate hikes from the US Federal Reserve (the Fed).
6. Some of the major risks and uncertainties facing the Hong Kong market include:
    - a hawkish rate outlook for the US and a strong US dollar;
    - uncertainties about the new US administration's policies;
    - concerns about economic growth on the Mainland and renminbi depreciation; and
    - worries about political stability in Europe and the financial health of European banks.
7. The average daily trading in Hong Kong's cash market fell 36.6% year-on-year to $[2]66.9 billion. Trading in futures products rose 14.5% while trading in options products dropped 10.6%.

[1] A referendum in the United Kingdom on 23 June 2016 resulted in a vote to leave the European Union.
[2] Unless otherwise stated, the $ in this paper denotes the Hong Kong dollar.

Performance of stock markets during 2016

8. During 2016, most major markets rose on the back of abundant market liquidity, shored up by optimism about the US President-elect's promise of supportive economic initiatives. While concerns about US interest rate hikes and political uncertainties following the United Kingdom's (UK) vote to leave the European Union (EU) did weigh on investor sentiment, optimism prevailed in the US and Europe. The Mainland market fell on worries and uncertainties about the country's economic outlook and a weakening of the renminbi, trimming gains in the Hong Kong market.

The US

9. The US market advanced, supported by abundant market liquidity in a low interest rate environment. All major indexes hit record highs. By the end of 2016, the Dow, S&P and Nasdaq rose 13.4%, 9.5% and 7.5% respectively.

10. In early 2016, the US market dropped amid uncertainties about the global economic outlook and volatile commodity prices. At one point, oil prices fell below a 12-year low of US$30 on concerns about global oversupply and weak demand. The depreciation of the renminbi also weighed on investor sentiment.

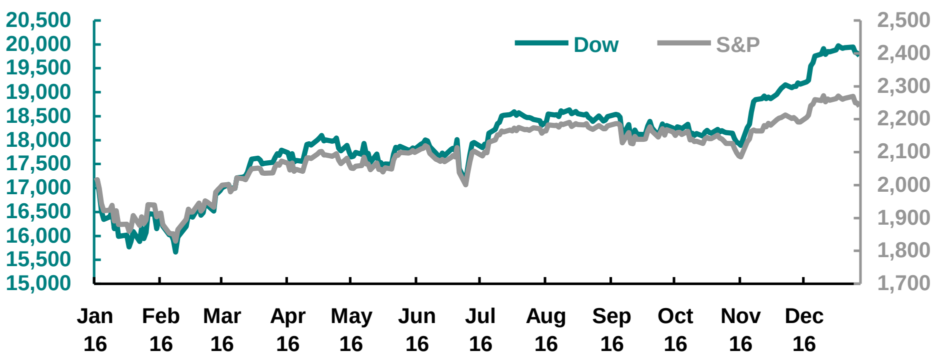
11. The US market witnessed a strong rebound in February due to easing concerns about monetary tightening. Investor optimism was lifted as the Fed hinted at a possible slowdown in the pace of interest rate hikes amid concerns about financial market volatility and a weakening economic outlook. Stimulus policies by major central banks and a recovery in oil prices also paced gains.

12. In June, the market fell on investor disappointment that the UK voted to leave the EU. However, the market recovered quickly on easing concerns about the impact of Brexit. Expectations of further supportive measures by major governments and central banks boosted investor sentiment.

13. In early November, the market declined on heightening worries about the outcome of the US presidential election but later advanced amid promises of the President-elect's tax cut and infrastructure spending initiatives. Upbeat economic data and corporate earnings also provided support.

14. Post-election gains extended into December. The US Dollar Index rose to a 14-year high. Investors perceived that some policy initiatives by the President-elect would be reflationary. In December, the Fed raised interest rates by 25 basis points, as widely expected, and projected about three hikes for 2017. The 10-year government bond yield hit 2.597%, the highest level since September 2014. The US market hovered near its historical high despite mixed economic data and valuation concerns. The price-to-earnings (PE) ratios for the Dow and the S&P reached 19 times and 21 times respectively, both higher than the average ratios in the two preceding years.

Performance of Dow and S&P during 2016



Source: Bloomberg

Performance of major stock markets

		End-2016	% change			PE Ratios
		Index Level	2016	2015	2014	End-2016
Hong Kong and the Mainland						
HK	-HSI	22,000.6	0.4%	-7.2%	1.3%	12.20
	-HSCEI	9,394.9	-2.8%	-19.4%	10.8%	7.76
Mainland	-Shanghai Comp	3,103.6	-12.3%	9.4%	52.9%	17.62
	-Shenzhen Comp	1,969.1	-14.7%	63.2%	33.8%	41.80
Asia						
Japan	-Nikkei 225	19,114.4	0.4%	9.1%	7.1%	24.85
Australia	-AOI	5,719.1	7.0%	-0.8%	0.7%	29.67
Taiwan	-TWSE	9,253.5	11.0%	-10.4%	8.1%	16.50
Korea	-KOSPI	2,026.5	3.3%	2.4%	-4.8%	18.37
Singapore	-STI	2,880.8	-0.1%	-14.3%	6.2%	12.20
Thailand	-SET	1,542.9	19.8%	-14.0%	15.3%	16.74
Malaysia	-KLCI	1,641.7	-3.0%	-3.9%	-5.7%	16.44
Indonesia	-JCI	5,296.7	15.3%	-12.1%	22.3%	24.19
India	-Nifty	8,185.8	3.0%	-4.1%	31.4%	20.61
Philippines	-PCOMP	6,840.6	-1.6%	-3.9%	22.8%	18.70
Vietnam	-VN	664.9	14.8%	6.1%	8.1%	15.91
US						
US	-Dow	19,762.6	13.4%	-2.2%	7.5%	18.77
	-Nasdaq	5,383.1	7.5%	5.7%	13.4%	33.18
	-S&P	2,238.8	9.5%	-0.7%	11.4%	20.97
Europe						
UK	-FTSE100	7,142.8	14.4%	-4.9%	-2.7%	60.63
Germany	-DAX	11,481.1	6.9%	9.6%	2.7%	18.00
France	-CAC	4,862.3	4.9%	8.5%	-0.5%	24.00
PIIGS and Hungary						
Portugal	-PSI20	4,679.2	-11.9%	10.7%	-26.8%	89.77
Italy	-FTSEMIB	19,234.6	-10.2%	12.7%	0.2%	45.79
Ireland	-ISEQ	6,517.2	-4.0%	30.0%	15.1%	20.14
Greece	-ASE	643.6	1.9%	-23.6%	-28.9%	n.a.
Spain	-IBEX	9,352.1	-2.0%	-7.2%	3.7%	21.06
Hungary	-BUX	32,003.1	33.8%	43.8%	-10.4%	54.78
Middle East and North Africa						
Egypt	-EGX30	12,344.9	76.2%	-21.5%	31.6%	n.a.
Dubai	-DFMGI	3,530.9	12.1%	-16.5%	12.0%	11.53
Other BRIC markets						
Brazil	-IBOV	60,227.3	38.9%	-13.3%	-2.9%	n.a.
Russia	-MICEX	2,232.7	26.8%	26.1%	-7.1%	10.25

Source: Bloomberg

Europe

15. Major European markets advanced in 2016 amid the ECB's monetary easing despite heightened political uncertainties about Brexit and the Italian referendum[3]. The FTSE, DAX and CAC rose 14.4%, 6.9% and 4.9% respectively. The FTSE ended the year at a record high.

16. The year started on a pessimistic note as markets fell on the back of dim global and regional economic outlooks. In March, the ECB cut its benchmark interest rate from 0.05% to 0% and expanded its monthly asset purchase programme from €60 billion to €80 billion.

17. In June, financial and political uncertainties heightened after the shock UK vote to exit the EU that led to the resignation of the UK Prime Minister. Volatility in the financial markets

[3] Italian voters rejected a 4 December referendum on parliamentary reforms.

increased, while the British pound hit its lowest level against the US dollar since 1985. S&P Global Ratings and Fitch Ratings downgraded the UK's credit rating, whilst Moody's Investors Service lowered the UK's rating outlook from stable to negative.

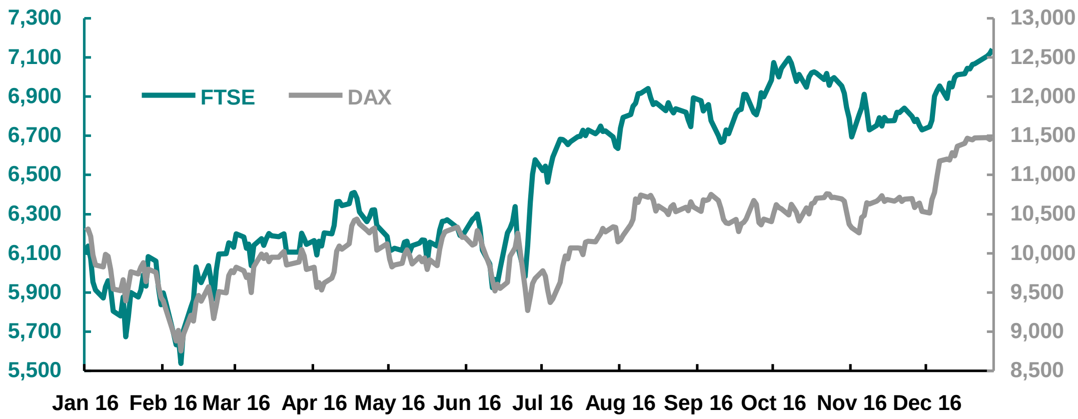
18. The mood changed later in the year, with major European markets rebounding strongly as worries about Brexit eased amid hopes for central bank stimulus to support markets and the economy.

19. The Bank of England beat market expectations and the FTSE outperformed other major European markets. The monetary stimulus package in August was larger than expected, and included a rate cut to a record-low level of 0.25% and a £60 billion quantitative easing programme. Large caps led gains on hopes that a weaker British pound might translate into stronger overseas revenue. Energy stocks also rose on higher oil prices after the Organization of the Petroleum Exporting Countries agreed to cut production.

20. However, concerns loomed and capped gains. The financial soundness of some German and Italian banks created some anxiety and added pressure on European markets. In addition, Brexit concerns revived after the new UK Prime Minister announced plans to begin the formal Brexit negotiation process by March 2017. Finally, political uncertainties about the US presidential election in November and the Italian referendum in December also weighed on sentiment.

21. Optimism returned in early December, as the ECB extended its bond-purchase programme until end-2017, although the size of stimulus was reduced by €20 billion to €60 billion per month from April 2017. Markets also gained amid optimism about the restructuring plan for, and state bailout of, Italian banks. Post-election gains in the US further lifted investor sentiment.

Performance of FTSE and DAX during 2016



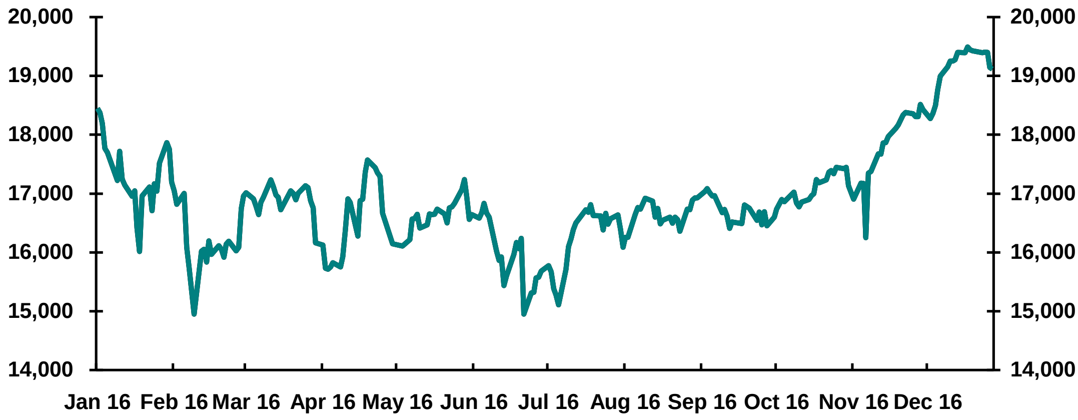
Source: Bloomberg

Asia

22. In Japan, the Nikkei 225 Index rose 0.4% in 2016, marking the fifth consecutive year of gains. Initially, despite the negative interest rate policy adopted by the Bank of Japan in early 2016, the market fluctuated in negative territory amid fading hopes for further government stimulus measures. The decline continued in the wake of the Brexit vote in mid-2016. The yen, however, strengthened to a two-year high of 99.89 on increased demand for safe-haven investments. The market rose towards the end of the year as the yen weakened to a 10-month low of 118.18 following the Bank of Japan's decision to purchase bonds in November and amid US dollar strengthening on the back of the US interest rate hike in December.

23. The performance of other major Asian markets was mixed in 2016, ranging from a 3% drop in Malaysia to a 19.8% increase in Thailand.

Performance of Nikkei during 2016



Source: Bloomberg

The Mainland

24. After recording substantial gains in 2014 and 2015, the SHCOMP dropped 12.3% and the SZCOMP fell 14.7% in 2016. The average daily turnover in the Mainland market decreased 50.2% to RMB519.1 billion. The market was volatile amid concerns about the Mainland's tightening measures to curb asset bubbles and a shift of liquidity across asset classes.

25. The market dropped in January 2016 amid concerns about disappointing economic data and a weakening of the renminbi. Trading was halted on two days in early January following the implementation of the new circuit breaker mechanism, which was suspended by the China Securities Regulatory Commission (CSRC) shortly afterwards.

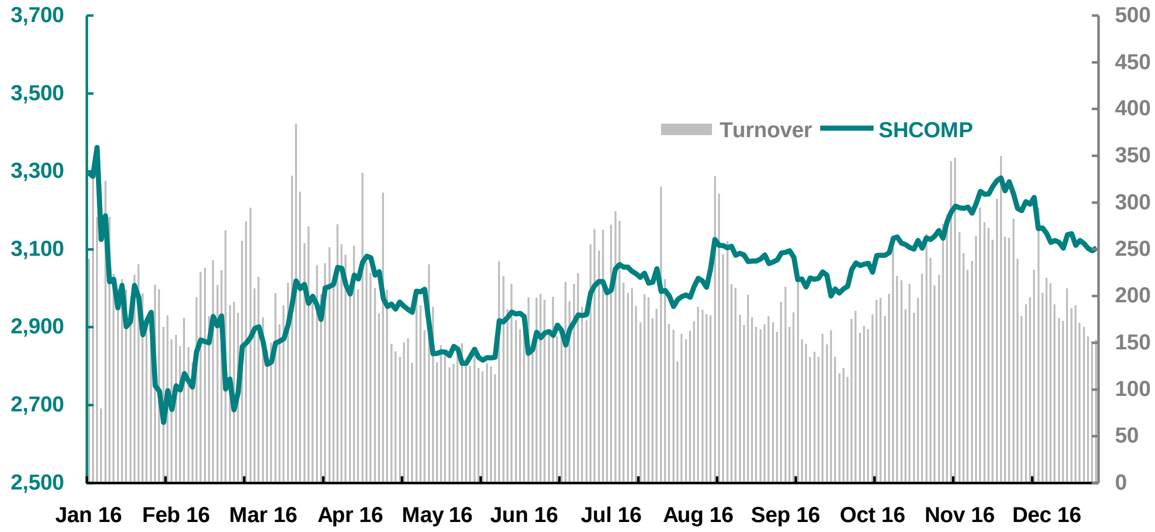
26. In February, the People's Bank of China (PBoC) announced a 0.5% cut in the bank reserve requirement ratio (RRR), and the market started to recover. Expectations of more stimulus measures and preliminary signs of a stabilising economy paced gains. It was reported that a delay in implementing the new initial public offering (IPO) registration system and the cancellation of establishing the Strategic Emerging Industries Board helped relieve concerns about market liquidity. Worries about renminbi depreciation eased as the US dollar weakened after the Fed indicated a possible delay in interest rate hikes.

27. Later in the year, the market rose as top Mainland officials expressed confidence in the economic outlook. Expectations of accelerated supply-side reforms as well as solid corporate earnings also paced gains. In addition, according to media reports, there was a shift of funds from properties to stocks after the Mainland tightened rules on home purchases in more than 20 cities in October.

28. In December, the stock market dropped amid regulatory curbs on insurers' stock-trading activities. Investors were also cautious about the outlook for the property sector in view of further tightening measures. Investor sentiment was also affected by growing concerns that there could be further fund outflows as foreign reserves continued to decline. The renminbi hit an eight-year low of around 6.9 against the US dollar. Signs of tighter banking sector liquidity amid higher money market rates paced losses. The selloff in bonds reportedly prompted the PBoC's liquidity injection to stabilise the market.

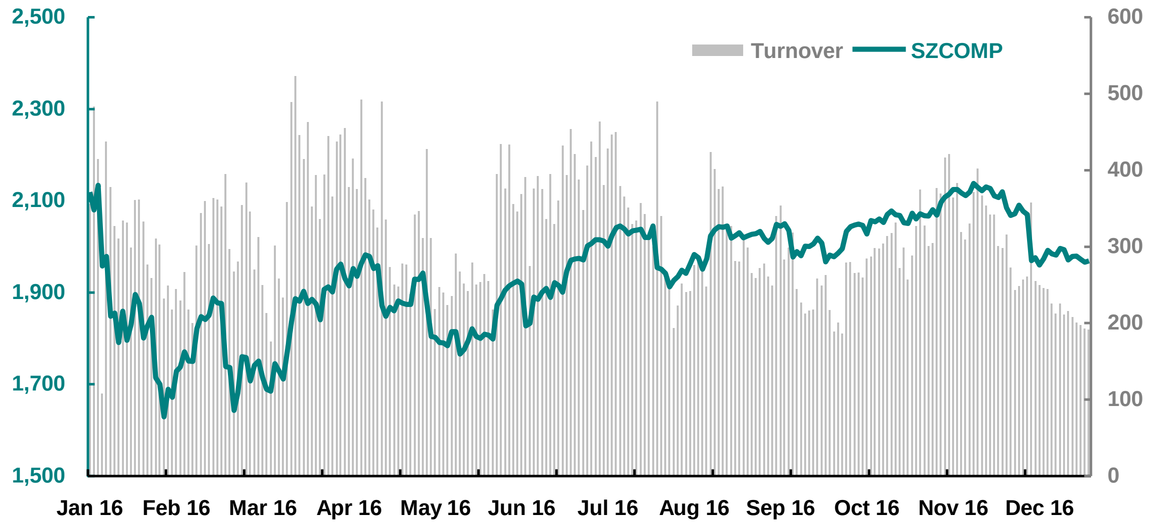
29. Market participants commented that, given a lack of investment tools in the domestic market, the buoyant liquidity in the financial system led to a succession of asset bubbles, ranging from a housing frenzy to a commodity boom. Measures to curb excessive speculation proved challenging to policymakers, as efforts to curtail a specific sector seemingly gave rise to price inflation in other sectors; hot money appeared to shift across different asset classes. In particular, this was observed in the property and bond markets which had heated up after the stock-market correction in mid-2015. This happened again with the boom in the commodity market as measures were rolled out to cool the housing rally and tighten leverage in the bond market in late 2016.

SHCOMP and market turnover (RMB billion) during 2016



Source: Bloomberg

SZCOMP and market turnover (RMB billion) during 2016



Source: Bloomberg

Hong Kong

30. In 2016, the HSI rose 0.4%, whilst the HSCEI dropped 2.8%. Despite the bullish performance of the US market, gains in the Hong Kong market were capped by the correction in the Mainland market.

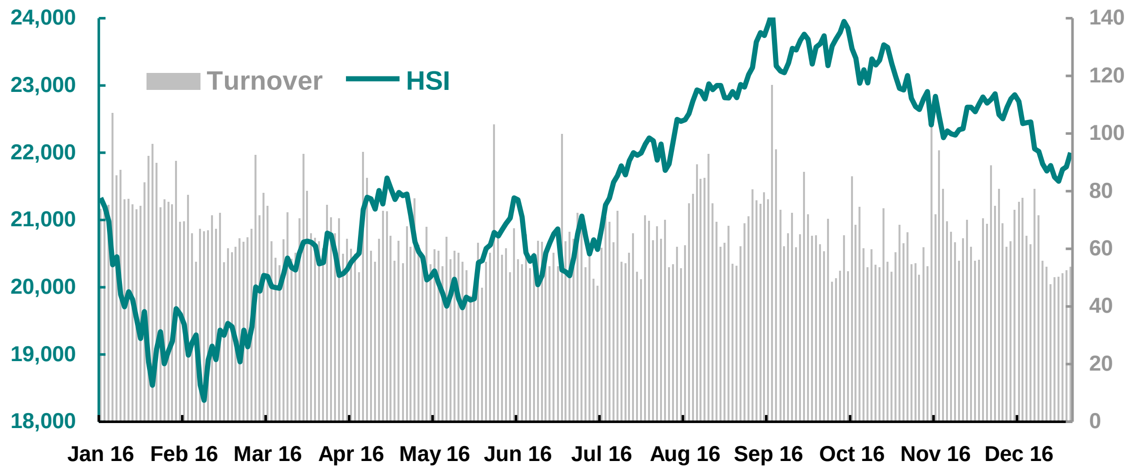
31. The Hong Kong market fell in early 2016, undermined by intensifying worries about the Mainland's economic slowdown and renminbi volatility, and dragged down by the performance of H-shares. Despite a 0.5% RRR cut by the PBoC in February, concerns about rising credit risk and increasing bad debts on the Mainland paced losses. A weakening Hong Kong dollar hit an eight-year low and weighed on the market. Moreover, concerns about Brexit added volatility.

32. Tracking gains in overseas markets, the local market rebounded beginning in July amid expectations of a delay in US interest rate hikes after the Fed Chairperson's dovish remarks. Hopes for further stimulus measures by global central banks and better-than-expected corporate earnings lifted the market. Optimism about the launch of Shenzhen-Hong Kong Stock Connect and news about Mainland insurers being allowed to buy Hong Kong stocks through Stock Connect also lent support. In September, both the HSI and HSCEI reached their 2016 peaks.

33. Later, gains were limited amid concerns about a major German bank's financial position and lingering worries about renminbi depreciation. Uncertainties were also revived concerning an imminent interest rate hike in the US, and this weighed on market sentiment. The market dropped following the US presidential election, but later recouped some losses on optimism about supportive policies promised by the President-elect.

34. In early December, property stocks dragged the market on worries about the accelerated pace of US rate hikes signalled by the Fed. Mainland financials paced losses on concerns about the impact of PBoC's tightening and selloffs in the bond market on the Mainland.

HSI and market turnover ($ billion) during 2016



Source: Bloomberg

Risks and uncertainties facing the Hong Kong market

35. In 2016, volatility in the Mainland and overseas markets continued to affect the Hong Kong market. Looking forward, the Hong Kong market may face several risks and uncertainties including:

- a hawkish rate outlook for the US and a strong US dollar – While the Fed raised interest rates as expected in December 2016, officials signalled a possible stepping up of the pace of rate hikes in 2017. Market reaction remains to be seen, depending on the precise timing, pace and magnitude of tightening, as well as economic conditions. The US dollar may continue to strengthen, which may add pressure on the prices of commodities and other assets. Emerging markets – some of which rely heavily on commodity exports – may continue to experience capital outflows and currency depreciation. These factors may lead to higher volatility in global markets, including Hong Kong.
- uncertainties about the new US administration's policies – Whilst investors are optimistic about the policy initiatives of the President-elect which are perceived to be reflationary, uncertainties about the direction, implementation and effectiveness of his economic and trade initiatives may weigh on global and local economic outlooks. Investor sentiment is fragile amid heightened valuation concerns as the US market hovers around a historical high.
- concerns about economic growth on the Mainland and renminbi depreciation – While recent economic data show preliminary signs of an improving growth momentum, investors remain cautious towards the Mainland's economic outlook. A weaker renminbi, declining foreign exchange reserves and concerns about fund flows will weigh on the market. Policy measures to deleverage the economy and tackle asset bubbles will also affect the performance of, and volatility in, the stock market. The Hong Kong market may be affected given its close linkage with the Mainland.
- worries about political stability in Europe and the financial health of European banks – The UK will begin the formal Brexit negotiation process by the end of March 2017. This may negatively affect economic growth and corporate earnings. Upcoming elections in major European countries such as Germany and France may add to political uncertainties in the region. Heightened concerns about the financial health of European banks, in particular Italian banks, may have spill-over effects on global and local markets.

Major statistics for the Hong Kong securities market during 2016

Trading activity in the local stock market

36. Trading in the local stock market decreased in 2016. The average daily turnover amounted to $66.9 billion, 37% lower than the $105.6 billion in 2015.

37. Mainland stocks (including H-shares and red chips) remained the most actively traded. Their share of total market turnover was 34% in 2016 (36% in 2015), whilst that of HSI stocks (excluding H-shares and red chips) was about 18% (13% in 2015).

Average daily turnover ($ billion)

	2016		2015		% change over 2015
HSI (ex H shares & red chips)	12.3	(18%)	13.9	(13%)	-11.5%
Mainland stocks	22.7	(34%)	37.7	(36%)	-39.8%
H-shares	16.3	(24%)	27.9	(27%)	-41.6%
Red chips	6.4	(10%)	9.8	(9%)	-34.7%
Derivative warrants	11.1	(17%)	18.2	(17%)	-39.0%
CBBCs	5.6	(8%)	7.4	(7%)	-24.3%
ETFs	4.1	(6%)	8.8	(8%)	-53.4%
Others	11.1	(17%)	19.6	(18%)	-43.4%
Market total	**66.9**	**100%**	**105.6**	**(100%)**	-36.6%

Remark: Percentages in parenthesis denote market share.

Sources: Hong Kong Exchanges and Clearing Limited (HKEX) and SFC Research

Stock Connect

38. Shenzhen-Hong Kong Stock Connect commenced on 5 December 2016 following the launch of Shanghai-Hong Kong Stock Connect on 17 November 2014. The schemes allow mutual trading access between the Mainland and Hong Kong stock markets. Investors can trade eligible shares listed on the other market subject to daily quotas.

39. The aggregate quotas under Shanghai-Hong Kong Stock Connect were abolished on 16 August 2016 following the joint announcement by the CSRC and SFC on the establishment of Shenzhen-Hong Kong Stock Connect. No aggregate quota is applied under Shenzhen-Hong Kong Stock Connect.

40. Under both Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, northbound daily quotas are set at RMB13 billion, whilst southbound daily quotas are set at RMB10.5 billion.

41. As at end-2016, cumulative net buy since the launch of the respective schemes stood at:

- RMB132.6 billion to Shanghai and RMB15.2 billion to Shenzhen via northbound trading; and
- RMB321.7 billion from Shanghai and RMB6.1 billion from Shenzhen via southbound trading.

42. As at 31 December 2016, there were 574 northbound eligible stocks and 315 southbound eligible stocks under Shanghai-Hong Kong Stock Connect, whilst there were 881 northbound eligible stocks and 417 southbound eligible stocks under Shenzhen-Hong Kong Stock Connect. During 2016:

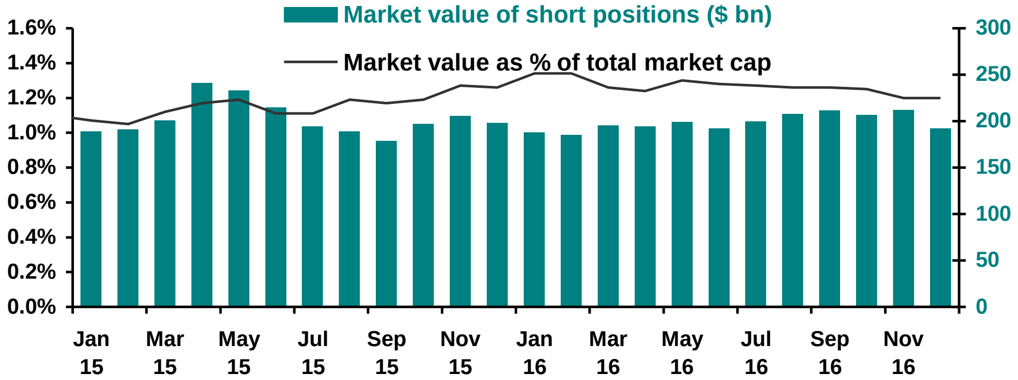
- the average daily northbound trading (Shanghai and Shenzhen, including buy and sell trades) was RMB3.3 billion, or 0.3% of trading in the Mainland market, compared to the average of RMB6.4 billion in 2015. Since 5 December 2016, 27% of northbound trading was towards Shenzhen and 73% was towards Shanghai; and
- the average daily southbound trading (Shanghai and Shenzhen, including buy and sell trades) was RMB3.2 billion, or 2.8% of trading in the Hong Kong market, compared to the average of RMB2.7 billion in 2015.

Short-selling activity

43. Compared to 2015, short selling in Hong Kong was lower in absolute terms but higher as a percentage of total market turnover. The average daily short selling was $7.8 billion, or 11.8% of total market turnover in 2016. In 2015, the average daily short selling was $10.0 billion, or 9.5% of total market turnover.

44. Based on data submitted to the SFC, as at 30 December 2016, the aggregated short positions amounted to $192 billion (or 1.2% of the market cap of the reported stocks).

Market value of short positions ($ billion) during 2016



Source: SFC Research

Initial public offerings

45. There were 117 IPOs in Hong Kong during 2016. Total IPO funds raised amounted to $194.8 billion, compared to 124 IPOs ($261.3 billion) in 2015. IPO funds raised by Mainland companies accounted for 95% of the total during the year. Hong Kong ranked first in IPO activities worldwide in both 2015 and 2016.

Top 10 stock markets by equity funds raised through IPOs (2016)

	Equity funds raised through IPO		
	US$ billion	Worldwide ranking	Asia ranking
Hong Kong	25.1	1	1
Europe (Euronext)	13.2	2	
Shanghai	12.5	3	2
US (NYSE)	11.4	4	
Nasdaq Nordic Exchanges	7.9	5	
UK (London)	7.7	6	
Japan (Tokyo)	7.6	7	3
US (Nasdaq)	7.5	8	
Shenzhen	7.1	9	4
Australia	6.4	10	5

Sources: World Federation of Exchanges and HKEX

Exchange-traded funds (ETFs)

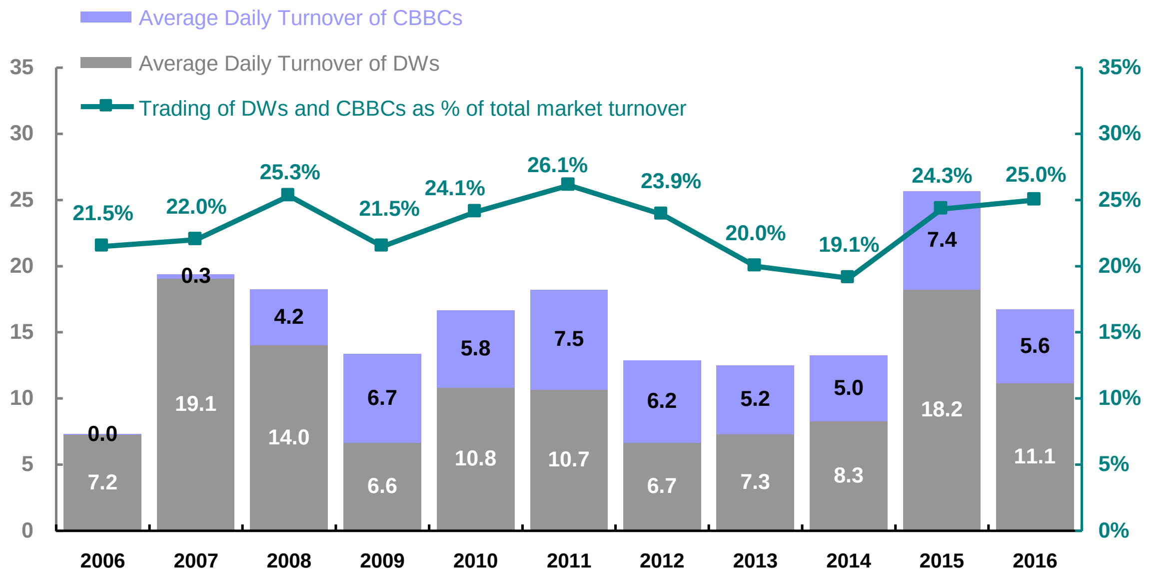
46. The number of ETFs fell to 127 as at end-2016 from 133 as at end-2015. The average daily turnover in 2016 was $4.1 billion, which was 53% lower than the $8.8 billion in 2015. ETFs accounted for 6% of the total market turnover in 2016 compared to 8% in 2015. The average daily turnover of A-shares ETFs was $1.6 billion, accounting for 39% of total ETF turnover compared to $6 billion and 68% in 2015.

Derivative warrants (DWs) and callable bull/bear contracts (CBBCs)

47. In 2016, trading in DWs decreased both in absolute terms and as a percentage of total market turnover. The average daily turnover of DWs fell to $11.1 billion (16.6% of total market turnover), compared to $18.2 billion (17.3% of total market turnover) in 2015.

48. In 2016, trading in CBBCs decreased in absolute terms but increased as a percentage of total market turnover. In 2016, the average daily turnover of CBBCs was $5.6 billion (8.4% of total market turnover), compared to $7.4 billion (7% of total market turnover) in 2015.

Turnover of DWs and CBBCs ($ billion)



Source: SFC Research

Exchange-traded derivatives

49. In 2016, the average daily trading in exchange-traded derivatives fell by 0.9% year-on-year.

- The average daily trading in futures products rose by 14.5%. Among futures products, HSI futures and HSCEI futures were the most actively traded contracts, each accounting for about 38.4% and 39.3% of all futures trading respectively. The average daily trading volume of HSI futures rose by 52.1%, but that of HSCEI futures fell by 1% from 2015.
- The average daily trading in options products fell by 10.6% in 2016. Whilst stock options remained the most actively traded options products, their trading volume fell by 20.4% from 2015.

Average daily trading volume of derivatives traded on HKEX by product type (contracts)

		2016	2015	2014
Futures	HSI Futures	130,826	85,991	69,098
	Mini-HSI Futures	50,516	40,674	28,177
	HSCEI Futures	133,729	135,139	89,005
	Mini-HSCEI Futures	19,718	30,391	13,884
	Stock Futures	915	2,951	1,731
	RMB Currency Futures	2,181	1,062	830
	Other futures products	2,601	1,210	1,238
	Total futures	**340,486**	**297,418**	**203,965**
Options	HSI Options	37,869	30,427	30,440
	Mini-HSI Options	5,767	4,185	3,892
	HSCEI Options	78,849	61,961	36,433
	Mini-HSCEI Options*	800	N/A	N/A
	Stock Options	297,903	374,346	301,797
	Other options products	69	183	150
	Total options	**421,257**	**471,102**	**372,712**
Total futures and options		**761,744**	**768,520**	**576,676**

Remarks: The average daily trading volume was based on the number of trading days after the product was launched.
* Trading of Mini-HSCEI Options commenced on 5 Sep 2016.
Sources: HKEX and SFC Research

After-hours futures trading (AHFT)

50. During the year, trading in HSI and HSCEI futures during the AHFT session was more active than in 2015. Trading in mini-HSI futures, mini-HSCEI futures, and renminbi currency futures was also more active.

- In 2016, the average daily trading volume of HSI and HSCEI futures was 25,108 contracts, about 10.4% of the volume during the daytime session, compared to 14,088 contracts and 6.8% in 2015.
- In 2016, the average daily volume of mini-HSI futures and mini-HSCEI futures was 12,286 contracts, about 21% of the volume during the daytime session, compared to 7,333 contracts and 11.4% in 2015.
- In 2016, the average daily volume of renminbi currency futures was 349 contracts, about 18.8% of the volume during the daytime session, compared to 135 contracts and 14.4% in 2015.