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## **HSBC appointed as trustee and designated depository bank for the first Iron Ore Futures ETF in Hong Kong**

HSBC has been appointed trustee and designated margin depository bank for the SSIF DCE Iron Ore Futures Exchange Traded Fund (ETF), the first Iron Ore Futures ETF in Hong Kong. It is launched by Shanxi Securities International Asset Management Limited (SSIAM), a wholly owned subsidiary of Shanxi Securities International Financial Holdings Limited (SSIF), one of the first securities companies from mainland China that was set up as a wholly-owned subsidiary in Hong Kong.

The ETF is a milestone for the Chinese futures market, allowing foreign investors to trade in Dalian Commodities Exchange (DCE) Iron Ore Futures Contracts in USD margin for the first time. Settlement accounts in both RMB and USD facilitate effective trading, with HSBC China the designated margin depository bank. This allows SSIAM, as manager, to transfer funds into onshore brokers' margin accounts through an online remittance system.

As the first and only foreign designated depository bank approved by the DCE, HSBC helps overseas investors access China's commodity futures markets. "Gaining straightforward exposure to key commodity benchmarks is particularly important during volatile times, so we are delighted to support SSIAM with this ETF, through our comprehensive, one-stop cross-border services. We have seen increasing overseas demand for DCE market access and this innovative launch marks greater connectivity between Hong Kong and mainland Chinese exchanges," said Patrick Wong, Head of China Business Development and Client Management, HSBC Securities Services.

With the bank's global network and innovative cash management technology platform, "we have enabled foreign investors to invest in the DCE's commodity futures products with convenience and efficiency. The launch of this ETF in Hong Kong perfectly demonstrates our cross-border transaction banking capabilities," added Kuresh Sarjan, Regional Head of Financial Institutions Group, Global Liquidity and Cash Management, Asia Pacific, HSBC.

"This ETF is considered to be an important strategy for internationalising Chinese commodity futures. Although the fund is launched in the current challenging environment, we expect stable growth of the fund with a boom by the end of 2021," said Haimo Zhang, Head of Research and Fund Manager Head of Asset Management, SSIF.

HSBC remains at the forefront of China's capital markets opening and has been one of the leading international banks in servicing overseas investors. It ranks top in terms of the number of overseas institutional investors it is serving in the China

Interbank Bond Market (CIBM) among all settlement agent banks since May 2017. It was also the first foreign bank in China approved by China Financial Futures Exchange in 2013 to offer futures margin depository service to offshore investors trading index futures in China.

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**The Hongkong and Shanghai Banking Corporation Limited**

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