

## **TAIFEX to Launch Semiconductor & Shipping and Transportation Sector Futures, Facilitating Trading in Strategic Industries**

The Taiwan Futures Exchange (TAIFEX) is set to launch Taiwan Semiconductor 30 Futures (SOF) and Shipping and Transportation Sector Futures (SHF) on 27 June 2022 in response to heightened market demand for industry-specific risk management tools and further expand its sector derivatives offerings.

Taiwan is the unrivalled worldwide leader in the global chip supply chain. The country's semiconductor industry cluster ranked top in the world by market share in both the foundry industry and the packaging and testing industry, and No.2 in integrated circuit (IC) design. TIP Taiwan Semiconductor Total Market Select 30 Index tracks the performance of the top 30 semiconductor companies ranked by market capitalization listed on the Taiwan Stock Exchange and the Taipei Exchange, including the internationally renowned Taiwan Semiconductor Manufacturing Company (TSMC), MediaTek Inc. (MTK) and United Microelectronics Corporation (UMC). The new SOF will allow investors to manage their exposure to Taiwan's globally-critical industry and at the same time, capture new opportunities. In addition to the regular session, SOF can also be traded overnight for investors to effect timely risk management actions during the hours of the US market, where the index's major components are listed as American Depositary Receipts (ADRs).

Another sector of the country that shines through the pandemic gloom is its internationally competitive shipping and transportation sector. As a key player in the world's container shipping industry, Taiwan has benefitted from surging demand. Its major maritime enterprises, including Evergreen, Yang Ming and Wan Hai, are constantly ranked in the list of global top 12 liners by vessel capacity, according to Alphaliner. SHF's underlying index, the TAIEX Shipping and Transportation Sub-Index, comprises of companies including Eva Airways, China Airlines, and Taiwan High Speed Rail, alongside the aforementioned three shippers, and benchmarks the overall performance of Taiwan's shipping and transportation stocks. The roll-out of SHF will help market participants to gain exposure to this pivotal sector while navigating through the disruption.

In the past two years, TAIFEX's efforts to introduce a wide range of products across themes and sectors, as well as the launch of small-sized contracts, have enabled a broad spectrum of trading strategies for investors and boosted the overall liquidity and foreign institutional participation, with turnover from foreign investors reaching close to 32% of total trading volume in 2022 Q1. With investors' rising demand for hedging sector exposures, the Exchange anticipates steady growth for the new SOF and SHF contracts, similar to the momentum seen in the two mini futures contracts introduced in 2021 for the electronics and finance sectors. For more information, visit the webpages of [SOF](#) and [SHF](#).

**About Taiwan Futures Exchange**

Taiwan Futures Exchange (TAIFEX), established in 1997, provides a wide range of futures and options products in equity indices, equities, FX and commodities. TAIFEX has continuously enhanced its technology and services in trading, clearing and settlement to ensure a fair and orderly marketplace. With a vision to be a world-class exchange befitting the fast-evolving marketplace, TAIFEX is poised to extend its global reach and stands as a primary derivatives exchange in Asia. For further details, please visit TAIFEX website at [www.taifex.com.tw](http://www.taifex.com.tw).

*Appendix: Contract specifications for Taiwan Semiconductor 30 Index Futures and Shipping and Transportation Sector Index Futures (see following pages)*

## TAIFEX Taiwan Semiconductor 30 Index Futures Contract Specifications

Item	Description
Underlying Index	TIP Taiwan Semiconductor Total Market Select 30 Index
Ticker Symbol	SOF
Trading Hours	Trading days are the same as the regular business days of the Taiwan Stock Exchange, and Taipei Exchange <ul style="list-style-type: none"> <li>Regular trading session: 08:45AM-1:45PM Taiwan time. 08:45AM-1:30PM on the last trading day for the delivery month contract</li> <li>After-hours trading session: 03:00PM on trading day of TWSE and TPEx – 05:00AM of the following day; no after-hours trading session on that last trading day for the delivery month contract</li> </ul>
Contract Size	NTD 50 x Semiconductor 30 Futures Price
Delivery Months	Spot month, the next two calendar months, and the next three quarterly months
Daily Settlement Price	The daily settlement price is the volume weighted average price, which is calculated by dividing the value of trades by the volume within the last one minute or otherwise determined by TAIFEX according to Trading Rules.
Daily Price Limit	+/- 10% of daily settlement price of preceding regular trading session
Minimum Price Fluctuation	1 index points (NTD 50)
Last Trading Day	The third Wednesday of the delivery month
Settlement	Cash settlement
Final Settlement Day	The same day as the last trading day
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. The method used to calculate the final settlement price is prescribed by TAIFEX.

TIP Taiwan Semiconductor Total Market Select 30 Index (“TIP TWSTMS30 Index”) is owned by the Taiwan Index Plus Corporation (TIP) and the Taipei Exchange (TPEx). The use of the TIP Taiwan Semiconductor Total Market Select 30 Index has been authorized by the TIP and the TPEx. The TIP and the TPEx make no warranties and bear no liability with respect to Taiwan Semiconductor 30 Futures.

**TAIFEX Taiwan Stock Exchange Shipping and Transportation  
Sector Index Futures Contract Specifications**

<b>Item</b>	<b>Description</b>
Underlying Index	TAIEX Shipping and Transportation Sub-Index
Ticker Symbol	SHF
Trading Hours	Trading days are the same as the regular business days of the Taiwan Stock Exchange <ul style="list-style-type: none"> <li>Regular trading session: 08:45AM-1:45PM Taiwan time. 08:45AM-1:30PM on the last trading day for the delivery month contract</li> </ul>
Contract Size	NTD 1,000 x Shipping and Transportation Sector Futures Price
Delivery Months	Spot month, the next two calendar months, and the next three quarterly months
Daily Settlement Price	The daily settlement price is the volume weighted average price, which is calculated by dividing the value of trades by the volume within the last one minute or otherwise determined by TAIFEX according to Trading Rules.
Daily Price Limit	+/- 10% of previous day's settlement price
Minimum Price Fluctuation	0.05 index points (NTD 50)
Last Trading Day	The third Wednesday of the delivery month
Settlement	Cash settlement
Final Settlement Day	The same day as the last trading day
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. The method used to calculate the final settlement price is prescribed by TAIFEX.

Taiwan Stock Exchange Corporation (TWSE) owns all rights, titles, and interests in TAIEX Shipping and Transportation Sub-Index. Taiwan Futures Exchange has been licensed by TWSE to use TAIEX Shipping and Transportation Sub-Index for Shipping and Transportation Sector Futures; provided, however, that Shipping and Transportation Sector Futures is not in any way sponsored, endorsed, sold, or promoted by TWSE and TWSE shall not be liable (whether in negligence or otherwise) for any transaction in connection with Shipping and Transportation Sector Futures based on TAIEX Shipping and Transportation Sub-Index.