

StockIndexFuture eries PDF转换可能丢失图片或格式，建议阅读原文

[https://www.100test.com/kao\\_ti2020/501/2021\\_2022\\_StockIndex\\_c85\\_501001.htm](https://www.100test.com/kao_ti2020/501/2021_2022_StockIndex_c85_501001.htm) The Singapore International Monetary Exchange (Simex) announced on 27 April 1998 that it would launch in August a stock index futures contract based on the Singapore stock market. In addition, it also plans to come up with two more stock index futures contracts, one on the Thai stock market, and the other on the Malaysian stock market. This means, very soon, small investors who have a view on the broad movements of these three markets will be able to put their money wheretheir beliefs are. Quite a number of people would still remember the collapse of Barings Group in the hands of rogue futures trader Nick Leeson. Some of them may associate words such as "speculation", "futures", "Leeson" more with gambling than with financial centres. While such a view may be difficult to change, we should quickly point out that a financial derivative that can be used for speculation can also be effective hedging tools. To make a point, let me repeat a known fact about the German tennis player Steffi Graf. When Graf was in the final rounds of major tournaments, her father was known to bet against her. Some sports journalists speculated that the senior Graf was superstitious. But I believe that he was simply hedging. The winning from the bet would definitely dull the anxiety when Graf was on the verge of being defeated. Of course, the joy of victory would also be dampened by the loss on the bet. But then how often do we hear people who have survived a term insurance say: "I should not have bought the

insurance!" This series aims to enhance small investors understanding of the stock index futures in general and the Simex MSCI Singapore Stock Index Futures contract in particular. Selected issues related to stock index futures will be discussed. They are outlined below and will appear in the following sequence:

- \*Speculating with Stock Index Futures\*
- Hedging Using Stock Index Futures\*
- Arbitrage Using Stock Index Futures\*
- MSCI Singapore Free Index\*
- The History and Development of Stock Index Futures\*
- Simex and Investor Protection\*
- Simex MSCI Singapore Stock Index Futures Contract

Stock Index Futures (SIF) contracts have been around for over 15 years. Institutional investors are familiar with such a product. The targeted readership of this series is the small investor. We will illustrate in the next article how an investor with a view on the broad market movement can use SIF to profit from his belief if it turns out to be correct. The risks and advantages of SIF as a speculative instrument will be highlighted. The third article of the series explains how a stock investor can use SIF to hedge against anticipated market corrections. We then present in the following article an actual example of program trading where handsome, riskless profit was made through arbitraging between the spot market (i.e. the stock portfolio) and the futures market using S&P500 SIF contracts. The example serves to demonstrate how arbitrage activities help to correct the mis-pricing in the market place. Many investors must have many questions following after the Simex announcement. What is this index called MSCI Singapore Free Index? What stocks are included? How is it compiled? By

whom? Why is it chosen over the far more familiar (at least to the local investors) Straits Times Industrial Index? Will it be susceptible to manipulation? The fifth article offers some answers. Since the Kansas City Board of Trade introduced the first SIF in 1982, many SIF contracts have been traded on various exchanges with various degrees of success. Our sixth article will provide the historical development of this very innovative financial derivative. Hopefully we can draw on the experiences of other exchanges and make the Simex MSCI Singapore SIF a successful one. Small investors will naturally be concerned about the measures taken by Simex to safeguard their interest against unfair practices. We will describe the risk management mechanisms of Simex in our second last article. Finally, we will conclude the series with a thorough explanation of the contract specification of the Simex MSCI Singapore Stock Index Futures.

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