

No. **1** in cumulative sales of warrants  
for **7** consecutive years

\*Calculation is based on Net Sold Notional Amount by each issuer over the period 2013 -2019. Source: Bloomberg and HKEX  
Net Sold Notional Amount = (No. of warrants net sold or net bought / divisor) x underlying closing price x FX (if applicable)

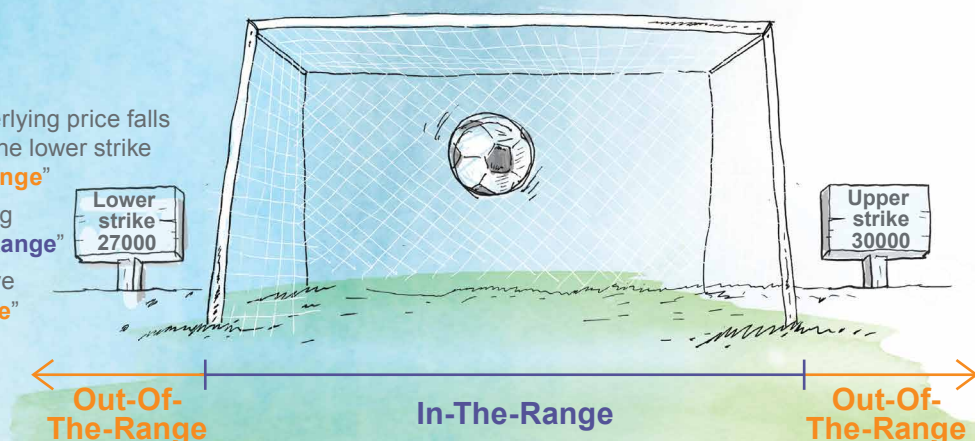
J.P.Morgan  
摩根大通

# INLINE WARRANTS

## A leveraged structured product for investing in a sideways or flat market

### Key Features

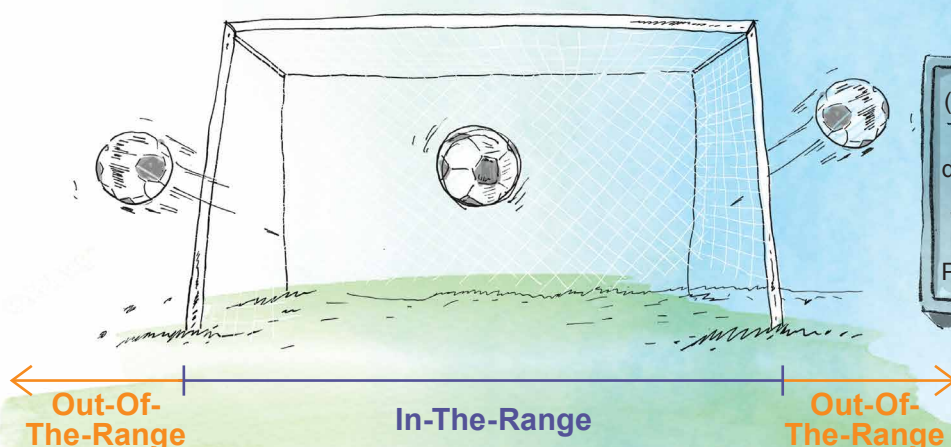
- Two strike prices – upper and lower strikes
- An inline warrant is “**In-The-Range**” when underlying price falls within the range between the upper strike and the lower strike (both inclusive), otherwise it is “**Out-Of-The-Range**”
- As shown in the graph on the right, if Hang Seng index is at 28000, the inline warrant is “**In-The-Range**”
- If index level drops below 27000 or moves above 30000, the inline warrant is “**Out-Of-The-Range**”
- No mandatory call feature



Investor will receive the maximum fixed payment  
if an inline warrant is **In-The-Range** at expiry

Payoff at Expiry<sup>1</sup>:

(Per Share)	<b>In-The-Range</b>	<b>Out-Of-The-Range</b>
Pre-determined Payoff	<b>HK\$1</b>	<b>HK\$0.25</b>
Maximum Profit / Loss	<b>HK\$1-Cost of Inline Warrants</b>	<b>Cost of Inline Warrants- HK\$0.25</b>



The underlying price or level may trade outside the upper and lower strike prices or levels before expiry, in such case, the trading price of inline warrants will be affected but not the payoff at expiry. At expiry, the investor will receive a fixed pre-determined payout, depending on the settlement price or level vs. the upper and lower strike prices or levels.

### Eligible underlyings and calculation of the settlement price at expiry

Hang Seng Index, Tencent (700), Ping An (2318), CCB (939), AIA (1299) and HKEX (388) <sup>2</sup>		
Calculation of the settlement price at expiry:	Index Underlying Inline Warrants	Settlement price is based on the final settlement price of corresponding index futures contract with the same expiry month of the inline warrants
	Stock Underlying Inline Warrants	Settlement price is based on the 5-trading-day average closing price of the underlying stock prior to and excluding the expiry day



Inline Warrants  
Education

How to get more information on Inline Warrants?  
Website: [jpmhkwwarrants.com](http://jpmhkwwarrants.com) Hotline: 2800 7878

<sup>1</sup> Due to the maximum fixed payment at expiry, inline warrants should not be traded above HK\$1. Any inline warrant trades executed at the price above HK\$1 will not be recognized and will be cancelled by HKEX. Due to the minimum fixed payment at expiry, inline warrants are expected to trade at or above HK\$0.25.

<sup>2</sup> As of November 2019. Eligible underlyings for stock inline warrants may change due to quarterly review by HKEX, please refer to HKEX website for details.

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