

Part B Consultation Questions

Please reply to the questions below that are raised in the Consultation Paper downloadable from the HKEX website at:

<http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp2017063.pdf>

Please indicate your preference by checking the appropriate boxes.

Where there is insufficient space provided for your comments, please attach additional pages.

1. In light of the need to enhance Hong Kong's position as an international financial centre and satisfy market demand, do you support the extension of trading hours in the T+1 Session?

Yes

No

Please give reasons for your view.

It will give the dealers opportunity to quote and hedge risk during European time to facilitate better liquidity.
It will increase the overlap with the US trading session, especially during summer time

2. Do you agree that the inclusion of equity index options in the T+1 Session could facilitate better risk management by brokers and investors?

Yes

No

Please give reasons for your view.

Extending market making obligations to T+1 session will put a strain on market makers as it will require additional resources. We see the move as a positive one on the condition that market makers shall not be obligated to animate after hours in order to reach their quota otherwise it may well change their commitment to the market-making contract.

3. Do you agree that the proposed trading halt could mitigate / reduce risk to the market while maintaining a simple mechanism?

Yes

No

Please give reasons for your view.

This is a simple and effective mechanism.

4. Do you have any other comments on the proposed implementation roadmap?

Blocking options should be allowed in T+1 session as well.
Suggestion : It would make sense to publish volume expectations before implementing the T+1 extension, and make regular reports after.

5. Do you agree with the alignment of the T+1 Session Cutoff Time with the close of trading hours at 03:00?

Yes

No

Please provide reasons if you disagree with that.

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