

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.

is strongly supportive of this proposal. Extending HKEX's T+1 session to be in line with other regional and global exchanges is beneficial to market development objectives - especially to allow a larger overlap with US trading hours.

This move should allow broader market participants to access the HK market in a broader time frame.

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.

agrees with this rationale. In particular, in the case of 'volatility events' (such as elections or other geo-political occurrences), the exchange would see investor and market participant demand for equity index options.

Including equity index options in the T+1 session will align HKEX to other regional exchanges who offer index products in their markets, such as JPX (Nikkei and Topix), SGX (Nikkei and Nifty) and ASX (S&P200).

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.

is supportive of HKEX's proposal to create the trading halt to be in line with current CME mechanisms - this would achieve the purpose of mitigating market risk in possible lower liquidity periods in a T+1 session.

Further, we believe it makes sense to halt the options trading at the same time as halting the futures trading. Otherwise the market become significantly more complex and complicated if these are not halted together.

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

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.

is supportive of the proposed close of trading timing of 3am. We are of the view that this timing could be contemplated as a single phase, without going to 1am first.

A staged approach to extending the closing time to 1am and then subsequently to 3am will result in the duplication of testing and IT development. As such, would be supportive of a single move to 3am closing time.

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