



Views sought on extending trading hours

Hong Kong Exchanges and Clearing Limited (HKEx) has published a consultation paper on extending the trading hours of the stock and Hong Kong stock-related derivatives markets.

With the rapid globalisation of the financial markets and the growth of online trading, stock and derivatives exchanges around the world have been extending their trading hours. Several key exchanges in Asia and Europe extended their trading hours in the last 18 months and more are expected to follow. In the US, the top derivatives exchanges now offer almost 24-hour trading, while the New York Stock Exchange and Nasdaq are expected to extend their trading hours this year.

Hong Kong's stock and derivatives markets are capable of offering almost round-the-clock trading, but they have some of the shortest trading hours among leading international exchanges.

"HKEx believes there is a clear need to re-examine its trading hours in order to maintain its competitiveness and strengthen Hong Kong's position as a leading international financial centre," Kwong Ki-chi, chief executive of HKEx, said.

A number of proposals for extended trading hours, aimed at increasing competitiveness, attracting more investors and boosting market turnover are discussed in the consultation paper. The proposals, which may be implemented either in phases or simultaneously, are:

- Extending the morning session from 12:30 to 14:30 hours and doing away with the lunch break;
- Extending the close of the afternoon session from 16:00 to 18:00 hours for the stock market and from 16:15 to 18:15 for Hong Kong stock-related derivatives markets; and
- Introducing an evening trading session from 20:00 to 23:00 hours.

"Extended trading hours would help us better meet the needs of the investing community," said Mr Kwong. "It would be consistent with HKEx's two-pronged market development strategy to meet the needs of the traditional mass user group as well as smaller groups with specialised needs. In particular, trading by investors who cannot do so during normal office hours will be accommodated."

"It would be in our interest to ensure that our trading arrangements, including trading hours, are compatible with those of our potential partners," Mr Kwong added.

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The consultation paper can be downloaded from the HKEx website at www.hkex.com.hk. Exchange Participants, market practitioners and members of the public are invited to comment on the proposal by 8 October 2001.

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