

15 January 2013

Clerk to Panel on Financial Affairs
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Sir/Madam,

Re: Proposal of Hong Kong Exchanges and Clearing Limited (“HKEx”) to Introduce After-hours Futures Trading

As the Legislative Council Panel on Financial Affairs will have a meeting on 28 January 2013 to discuss HKEx’s proposal on after-hours futures trading, we would like to submit our view for the Panel’s consideration. We support HKEx’s proposal to introduce after-hours futures trading as it will help expanding business of the Hong Kong futures industry.

We note that there are some concerns in the market regarding financial stability after hours futures trading is implemented. From our experiences in trading overseas markets, financial stability is not an issue. With after-hours futures trading, clients can manage their risk exposures timely. Without this, clients are exposed to overnight market risks. It is also useful for brokers to manage client’s risks as well. As such, it will reduce trading pressure during the market open next morning.

We also believe HKEx’s proposed price limit +/-5% for after-hours futures trading is an appropriate measure for guarding against potential excessive price movement. We are against narrowing the price limit as it will affect futures hedging operations.

Major overseas derivatives markets, such as CME, SGX, ASX and OSE have been offering after hours futures trading for years. After-hours futures trading should be implemented in Hong Kong as soon as possible and this can benefit the Hong Kong futures brokerage industry.

Yours faithfully,



Felix Man
Executive Director
Huatai Financial Holdings (Hong Kong) Limited