

**SFC's response to information requests of
Legislative Council Panel on Financial Affairs
Follow-up to meeting on 2 November 2009**

1. Size of Issuance and Market Turnover of Derivative Products

The information on issuance of listed derivative warrants and callable bull/bear contracts (CBBCs) is provided in Table 1 below. The value of the issuance is the product of the number of units issued and the prices of CBBCs or derivative warrants at the time of listing. It should be noted that issuers are not required to sell any of the issued units at the time of listing. The actual size of the CBBCs and derivative warrant markets is better measured by their market values (i.e. the product of the number of units sold to the public and the prices of CBBCs or derivative warrants), which are set out in Table 2 below. Market values of the two markets are small relative to the total size of the stock market. In addition, the average daily turnover of the two markets is provided in Table 2 as requested.

Table 1 – Size of Issuance of CBBCs and Derivative Warrants

	CBBCs		Derivative Warrants (DWs)	
	Number of Newly Listed CBBCs	Value of Issuance of Newly Listed CBBCs (HK\$ mn)	Number of Newly Listed DWs	Value of Issuance of Newly Listed DWs (HK\$ mn)
Jan-09	494	39,147.67	205	19,965.27
Feb-09	428	38,440.93	176	13,406.96
Mar-09	706	51,603.94	188	14,228.44
Apr-09	632	43,989.17	249	16,775.40
May-09	764	51,821.75	349	24,958.75
Jun-09	661	44,708.91	407	27,023.30
Jul-09	732	44,390.36	383	23,059.42
Aug-09	832	46,900.01	425	25,015.26
Sep-09	769	42,442.86	346	19,448.70
Oct-09	636	36,304.47	454	23,797.87

Source: Hong Kong Exchanges and Clearing Limited

Table 2 – Turnover and Market Value of CBBCs and Derivative Warrants

	CBBCs		Derivative Warrants (DWs)	
	Average Daily Turnover (HK\$ mn)	Market Value as of period end (HK\$ mn)	Average Daily Turnover (HK\$ mn)	Market Value as of period end (HK\$ mn)
Jan-09	5,850.84	1,098.79	5,602.02	3,423.39
Feb-09	6,185.60	1,267.30	5,520.41	2,980.86
Mar-09	5,560.94	902.96	4,689.10	3,091.44
Apr-09	8,006.43	1,149.88	5,890.62	3,213.37
May-09	7,415.68	605.95	7,314.93	3,811.93
Jun-09	7,721.08	814.94	7,099.31	3,864.17
Jul-09	6,384.24	662.10	7,807.06	5,326.68
Aug-09	7,417.42	754.99	7,924.81	4,182.64
Sep-09	6,274.21	630.79	6,664.26	4,015.97
Oct-09	6,471.45	626.75	7,328.04	4,486.89

Source: Hong Kong Exchanges and Clearing Limited

Securities and Futures Commission
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