

China to curb over-speculation in IPO sales

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The China Securities Regulatory Commission (CSRC) has pledged to curb the excessive speculation in the share sales of the initial public offerings (IPOs).

CSRC chairman Shang Fulin said that further steps would be taken to improve the IPO price bidding mechanism and rationally allot the proportion of the IPO issue for on-line and off-line subscriptions.

The current rules on IPO share sales have long been under attack, as the institutional investors can order for both on-line and off-line proportions, while the individuals are limited to on-line.

IPO share sales are often hundreds times over-subscribed in China, as investors rush to cash in on the certain gains on their debut on the stock exchanges.

The CSRC would also optimize the structure of the capital market by allowing more listings of local blue chips and high growth enterprises, Shang told an internal meeting on Wednesday.

He vowed to simplify the reviewing process of corporate bonds issue applications and allow more mutual funds of the institutional investors to invest in the bonds market.

The CSRC would also allow the insurance companies and commercial banks to make direct investment in the corporate bonds market, the official added.(Xinhua)

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