

Regulator: Careful preparations ahead for index futures

The long-awaited stock index futures in the mainland market still need careful preparation due to changing situations, a senior official with the China Securities Regulatory Commission (CSRC) said, dampening market hopes that the product will kick off this year.

At the half-yearly work meeting of the CSRC this week, a senior official said the regulator will continue preparatory work for the stock index futures under the principle of pursuing high standards and a smooth start, China Business News reported Thursday, quoting a source who attended the meeting as well.

While fortifying operations for existing futures products, the regulator will introduce new trading products steadily, the official said.

Currently, the nation's fuel oil and metal futures contracts are traded in the Shanghai Futures Exchange, while farm produce futures deals are made in Zhengzhou and Dalian.

Established in 2006, the China Financial Futures Exchange will cover trading of financial derivatives, including the stock index futures. Its virtual transaction is already under way.

Previously, there were market rumors that preparations for the index futures were close to an end and the launch was just around the corner.

Although the regulator has expressed similar expectations on different occasions, the situation has changed beyond the original plan so far, the CSRC official said. He vowed that financial authorities will review the market performance and make relevant preparations.

The official noted that the regulators will carefully consider individual investors' degrees of acceptance in the design of index futures. They will also draw lessons from warrants issued to prevent excessive speculation.

Last week, a source from China International Capital Co said the stock index futures trading is likely to be launched in January of next year rather than sometime this year after the Beijing Olympics.

The source stressed that the authorities deemed it prudent to launch index futures trading in a stable stock market environment with limited daily price fluctuations.

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