

《政府将出新规管理股票》

China will issue new rules to better regulate share sales by major shareholders of listed companies in an attempt to prevent it from burdening the country's fragile stock market, the securities regulator said on Tuesday.

The announcement came as the stock-selling ban imposed by the regulator on major shareholders to stem the market rout in the summer is set to expire on Friday.

The lifting of the ban has been haunting A-share investors and it was attributed as one of factors that caused Monday's massive sell-off. The steep market slide triggered the circuit breaker mechanism that resulted in an unprecedented trading halt of equities, index futures and options.

Media reports suggested that the regulator will extend the current share sale ban until the introduction of the new rules.

Officials at the China Securities Regulatory Commission declined to comment on the matter when contacted.

Two listed companies contacted by China Daily said they have not received any notice from the regulator or the stock exchanges about the extension of the selling ban.

Deng Ge, the CSRC spokesman, said on Tuesday that the new regulation of share sales by major shareholders will include a predisclosure system, selling restrictions and mechanisms such as block trading and private negotiations to reduce the negative impact on the capital market.

Some analysts earlier estimated that the value of capital involved in share sales by major shareholders of listed companies could amount to 1.2 trillion yuan (\$180 billion).

Dong Dengxin, a securities researcher at Wuhan University of Science and Technology, said that overvalued small-cap stocks will be the worst hit if the ban is revoked.

"There is a strong motivation to sell the expensive small-cap stocks as the average price-to-earning ratio of companies listed on the startup board has reached 109 times," he said.

As of Tuesday afternoon, at least five listed companies have promised that their controlling shareholders and senior executives will not reduce their equity holdings.

Survey finds pessimism among investors

An online survey by Tencent Holdings Ltd on Tuesday has revealed strong pessimism among investors toward the stock market in 2016.

A resounding 61 percent of 40,000 online investors polled by the Internet company said they are negative about the A-share market, with just 22 percent positive.

The survey came after the stock market suffered a dramatic slide on the first trading day of 2016, triggering unprecedented trading halts in equities, index futures and options, under a new circuit breaker system.

Twenty-seven percent of the investors attributed the mechanism as the main reason for the market slide while 33 percent believed that lifting the ban on major shareholders from selling their holdings triggered the sell-off on Monday.

More than 40 percent of investors said they were trapped by the sudden market plunge and will wait passively for the market rebound, while 44 percent said they have a full stock position, the survey showed.

