

《中国暂停股市熔断机制》

China has announced that starting Friday it will suspend the stock market circuit breaker mechanism that was first implemented at the beginning of this year. China Securities Regulatory Commission spokesman Deng Ke says the suspension came because the negative effects of the mechanism are currently larger than the positive ones.

Deng said the mechanism was introduced to provide a cooling-off period for the market and protect the interests of investors. He said the circuit breaker mechanism is NOT the major cause of falling stock prices. But it didn't reach the initial expectations of maintaining market stability.

Meanwhile, the mechanism had a magnet effect that prompted investors to trade when the CSI 300 index was moving to near the breaking point. The mechanism is based on the CSI 300 index, which tracks the largest 300 listed companies. A five percent fall or rise of the index suspends trading for 15 minutes while a 7-percent fall ends trading for the rest of the day. The mechanism has been triggered twice in four days. On Thursday, China's stock markets closed less than half an hour after the opening bell.

