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## Securities official calls for emergency mechanism

By Ding Qi (chinadaily.com.cn)  
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The Chinese stock market needs an emergency mechanism instead of temporary measures to keep its major indices from continuous slumps, a senior securities official said on Sunday at a press conference during the annual session of the National People's Congress (NPC).

Ouyang Zehua, vice director of the market supervision department of the China Securities Regulatory Commission, made the remarks when refuting the comments that the securities regulator often release market saving measures.

Ouyang, also a deputy to the National People's Congress (NPC), said no country has ever announced market saving rules even in a highly mature market like Wall Street.

However, since individual investors account for 60 percent of domestic stock market participants, irrational factors emerge from time to time. Therefore, it is necessary for the regulator to maintain market stability with legitimate measures at appropriate occasions. This is reasonable and also commonly adopted in the overseas market, he added.

He said the recent stock corrections resulted from a series of factors both at home and abroad, and fluctuation would be a feature on the market this year, but he was still optimistic about the market as the better-than-expected financial results of listed companies can make the stock market fundamentally strong.

Since early February, the securities regulator has approved the launch of several stock funds, which was regarded as the regulator's market saving measures. However, the market is expecting more good news including a cut in stamp tax on stock trading. The above remark from a securities official is helpful to boost investors' confidence in the current weak market, a Wall Street Journal report said.

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