

## **Transcript of SFST's remarks**

Tuesday, February 4, 2014

Following is a transcript of remarks by the Secretary for Financial Services and the Treasury, Professor K C Chan, at a media session before attending the Hong Kong Exchanges and Clearing Limited's Chinese New Year gathering this morning (February 4):

Reporter: The US market dropped 300 points ...

Secretary for Financial Services and the Treasury: I think the US market generally will react quite strongly to economic data. That is the number one reason being that the quantitative easing or tapering of QE is conditioned on economic data. So, the market will react quite strongly to that. The number two reason is that the US market is trading at a very high level. Any kind of economic data that will suggest some other scenarios would cause volatility. However, I think that the US market generally is doing quite OK despite the tapering of QE would cause volatility in their market as well as the world market.

Reporter: Bear year or bull year ...

Secretary for Financial Services and the Treasury: I am not going to suggest anything. I think investors should take care.

(Please also refer to the Chinese portion of the transcript.)

Ends