



MARKET ANNOUNCEMENT

5 May 2009

ASX Group Monthly Activity Report - April 2009

April 2009 saw a second consecutive month of recovering equity values in ASX listed stocks. Credit market conditions eased somewhat, both in Australia and abroad during April, and corporate bond issuance, particularly by Australian banks, has been robust. Issuance in Government bond markets has also remained strong as governments, both in Australia and other developed economies, have tapped debt markets to finance deteriorating budget positions.

Volatility in Australian equity markets (as measured by daily movements in the All Ordinaries Index) remained around levels experienced in March, with average daily movements of 1.1%. This level is well down on the peaks seen in October-November last year, but still remains well above average levels experienced before the global financial crisis. The volatility in Australia during April remained below that in the US where movements in the S&P500 Index averaged 1.6% a day.

Daily average trading volumes in cash equities in April were largely unchanged from March and were up slightly on levels experienced a year ago, although still well below the peaks reached in mid-2008.

Activity in the primary equity capital raising market remained subdued in April with one new listing during the month. However, secondary capital raisings remained robust, despite many large listed companies having already issued additional equity over the past few months. During April, there were several large individual capital raisings including Westpac (\$908.3 million), Fortescue Metals (\$644.8 million) and OneSteel (\$584.1 million).

Increased activity in primary issuance of fixed interest securities helped underpin robust trading activity in fixed income derivative products.

ASX's trading, clearing and settlement systems provided market users with reliable uptime availability throughout the month.

Listings and capital raisings

- In April 2009 there was one new listing, compared to none in the previous corresponding period (pcp). Total listed entities at the end of April 2009 were 2,208¹, down on the 2,220 a year ago.
- Total capital raised in April 2009 amounted to \$7.1 billion, up 65% on the pcp. There was \$202.2 million of new capital raised and \$6.9 billion in secondary raisings.

Trading – Cash markets (including equities, interest rates and warrants trades)

The All Ordinaries Index closed the month at 3744.7, its highest level since mid-November 2008 and around 20% above the recent low experienced in early March. However, the index remains 34% below its level of a year ago. Over the course of the month, the All Ordinaries rose 6%.

- Total cash market trades for April 2009 were 8.1 million, down 1% on the pcp. There was one less trading day.

¹ Entities include companies and trusts with quoted equities (including individual entities that trade as stapled securities) and also other entities with debt securities only.

- Average daily trades for April 2009 of 402,620 were 4% higher than the pcp.
- Total cash market traded value was \$72.4 billion in April 2009, down 36% on the pcp, with a daily average value of \$3.6 billion, down 33% on the pcp.
- In April 2009 the average value per trade was \$8,991, down 36% on the pcp of \$13,987, and the percentage of traded value crossed was 24% (26% pcp).

Trading - Derivatives markets

The improvement in traded volumes for Australian interest rate futures contracts was sustained in April partly in response to strong public and private debt issuance and partly in response to recent lower interest rate volatility. Interest rate options trading activity picked up in April.

Australian market interest rates (and \$A swap spreads) were largely unchanged at both the short and long end of the yield curve during April. This compares to the long end of the US Treasury yield curve, where 10 year yields rose around 40 basis points, partly as a result of high levels of ongoing and anticipated US Treasury bond issuance.

The Reserve Bank lowered the official cash rate by 25 basis points to 3.0% at its meeting on 7 April. The SFE overnight cash rate futures contract yield curve at the end of April was largely unchanged from its position a month ago. It continues to indicate that further monetary policy easing is expected over coming months, although this is expected to bottom out in around August of this year, before beginning to edge up again in the first quarter of 2010.

The Commonwealth Government issued \$5.5 billion worth of bonds and a further \$3.0 billion of Treasury Notes during April. Demand for Australian Government securities remains strong and there have been no indications of a weakening demand with the average coverage ratio of bids for the eight tenders during April being 3.8 times (up from 3.1 times in March). Austraclear holdings of semi-Government bonds rose by \$2.6 billion over the month.

Australian companies, particularly financial institutions, continue to tap the corporate bond market. Austraclear's holding of corporate bonds rose by \$26.6 billion during April. The Commonwealth Bank (\$1.2 billion) and National Australia Bank (\$1.5 billion) both issued non-government guaranteed bonds during April. While this issuance was at the shorter end of the yield curve, it represented the first sign of the major banks moving away from government guaranteed issuance.

In New Zealand, the RBNZ cut its cash rate by 50 basis points to 2.5% on 30 April and announced that it saw room for official rates to decline further, with the cash rate unlikely to start rising until late 2010. Activity in the NZ bill futures contract has been holding up well, with calendar year to date volumes up 2.7% compared with the pcp.

- Equity derivatives volume (excluding ASX SPI 200) for April 2009 was 1.3 million contracts, down 21% on the pcp, with a daily average of 65,888 contracts, down 17% on pcp.
- Total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for April 2009 was 4.0 million, down 22% on the pcp, with a notional value of \$1.9 trillion. Average daily contracts volume during April 2009 of 201,339 was down 14% on the pcp.
- ASX SPI 200 index futures contract volumes traded in April 2009 were 543,800, up 9% on April 2008.
- A total of 7,590 ASX CFD trades were transacted in April 2009 comprising a volume of 11.1 million contracts. The total notional value of all CFD trades for April was \$164.9 million, and the value of CFD open interest at the end of April was \$56.3 million. A record 1,475,365 contracts traded on 23 April. This is a 32% increase on the previous record set on 19 February 2009.

Clearing

All on-market trades (equities and derivatives markets) are novated by ASX's two central counterparty clearing house subsidiaries (CCPs), which act as counterparties to those trades and replace bilateral counterparty exposures.

- Total margins (including additional margins held against stress testing exposures and concentrated large positions) averaged \$5.7 billion over April (excluding equity securities lodged in excess of the margin requirement), with margins lodged in cash averaging \$4.7 billion.
- Continued lower market volatility during the month kept intra-day margin call activity at relatively low levels.
- There were no material initial margin rate adjustments during the month.

Settlement

There were no delays with the completion of batch settlement in the equities market during April 2009 and fixed income settlement through Austraclear was conducted normally. In response to the Government's deposit and wholesale funding guarantee arrangements, eligible institutions had issued approximately \$10.6 billion in Guaranteed Electronic Negotiable Certificates of Deposit as at 30 April 2009. This amount represents approximately 4.6% of the total Electronic Certificates of Deposit on issue as at this date.

Equity settlement delivery fail rates continue to average well below the 1% daily historical benchmark, which itself is low by global standards for developed equity settlement systems. A record low initial fail rate of 0.049% was experienced on 16 April 2009 (i.e. a total of 21 settlements failed to settle on a T+3 basis out of 43,056 scheduled settlements that day).

Supervisory monitoring and enforcement activity

The primary focus of ASX's surveillance activity remained on insider trading and manipulative price support, particularly in less liquid stocks.

ASX's futures surveillance observed that trading activity in all contracts remained orderly and efficient during April.

- In April 2009, there were:
 - 9,002 company announcements processed, down 23% on pcp;
 - 99 price queries issued to listed entities, up 111% on pcp; and
 - 103 trading halts granted, up 30% on pcp.

The next comprehensive ASX Markets Supervision quarterly activity report will be published in early July 2009.

A detailed activity statement for ASX Group markets for April 2009 is attached.

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	Apr 2009	Apr 2008	April 2009 Financial YTD	April 2008 Financial YTD
Cash Markets				
Total Trading Days	20	21	212	211
Cash Market Volume				
Total Trades	8,052,403	8,114,739	87,216,375	72,634,484
Change on PCP	(1%)		20%	
Average Daily Trades	402,620	386,416	411,398	344,239
Change on PCP	4%		20%	
Cash Market Value (including Value of Crossed Trades)				
Total Value (\$billion)	72.397	113.500	922.837	1,351.792
Change on PCP	(36%)		(32%)	
Average Daily Value (\$billion)	3.620	5.405	4.353	6.407
Change on PCP	(33%)		(32%)	
Cash Market Behaviour Statistics				
Percentage of Turnover Crosses (%)	24%	26%	26%	26%
Off-Market Crossings Represent 10% and On-Market 14% of Turnover				
Non Billable Value (Above Cap) (\$billion)	1.253	3.449	29.269	48.368
Total Billable Value (\$billion)	71.145	110.051	893.568	1,303.424
Billable Value - Off-Market Crossings (%)	8%	11%	11%	11%
Billable Value - On-Market Crossings (%)	14%	13%	13%	14%
Note: Cash Market includes Equity, Warrant and Interest Rate Market Transactions				
Derivatives Markets				
Equity Derivatives Total Trading Days	20	21	212	211
Equity Derivatives Volume (excluding SPI 200)				
Total Contracts	1,317,761	1,668,886	15,880,261	19,802,143
Change on PCP	(21%)		(20%)	
Average Daily Contracts	65,888	79,471	74,907	93,849
Change on PCP	(17%)		(20%)	
Futures & Options Total Trading Days	20	22	213	213
Futures Volume (including SPI 200)				
Total Contracts	3,858,518	5,046,244	50,811,952	73,251,917
Change on PCP	(24%)		(31%)	
Average Daily Contracts	192,926	229,375	238,554	343,906
Change on PCP	(16%)		(31%)	
Options on Futures Volume				
Total Contracts	168,264	121,397	1,383,809	2,171,438
Change on PCP	39%		(36%)	
Average Daily Contracts	8,413	5,518	6,497	10,195
Change on PCP	52%		(36%)	
Total Futures & Options (Derivatives) Volume				
Total Contracts	4,026,782	5,167,641	52,195,761	75,423,355
Change on PCP	(22%)		(31%)	
Average Daily Contracts	201,339	234,893	245,051	354,100
Change on PCP	(14%)		(31%)	
CFD Market (commenced 5 Nov 2007)				
Total Trades	7,590	5,876	71,099	36,527
Notional Value Traded (\$million)	164.9	171.9	1,585.8	1,189.7
Total Open Interest Value as at 30 April (\$million)	56.3	60.2	56.3	60.2
Total Contracts	11,081,064	7,314,458	64,278,464	43,278,713
Listings and Capital Raisings				
New Listed Entities Admitted	1	0	44	213
Change on PCP	N/A		(79%)	
Total Listed Entities (at End of Month)	2,208	2,220		
Change on PCP	(1%)			
Initial Capital Raised (\$million)	202	4	1,808	10,789
Secondary Capital Raised (\$million)	6,929	4,316	66,643	43,052
Total Capital Raised (\$million)	7,131	4,320	68,451	53,841
Margin Balances - at End of Month				
Cash Margins Held (\$billion)	4.8	3.4		
Cash Equivalents Held (\$billion)	0.6	0.0		
Collateral Cash Cover Held (Equities and Guarantees) (\$billion)	3.2	3.9		