



6 April 2009

ASX Markets Supervision (ASXMS) Quarterly Activity Report – March 2009

Activity	Q3 FY09	Q2 FY09	Q1 FY09	Q4 FY08	Q3 FY08
Total company announcements	25,268	33,249	32,355	31,202	29,841
Number of new listings	8	9	25	23	36
Number of delistings	16	19	17	19	23

- New listings activity remained low in the March quarter, reflective of generally soft equity markets. In contrast, secondary capital raising activity was very strong, particularly in February, with a total of \$18.2 billion raised during the quarter compared to \$205 million initial capital raised in the same period.
- The number of delistings remained relatively constant with the majority of the delistings in the March quarter resulting from the completion of mergers and/or takeovers.

As at end of quarter	Q3 FY09	Q2 FY09	Q1 FY09	Q4 FY08	Q3 FY08
Listed entities supervised	2,138	2,146	2,155	2,148	2,142
Participants ¹ – ASX, ACH, ASTC	179	189	190	183	186
Participants – SFE, SFECC	37	35	33	30	30

- The decline in the number of ASX, ACH and ASTC Participants is due to the variability in the number of ASTC Specialist Settlement Participants². This is in turn related to the level of corporate activity and the withdrawal from the market of a small number of ASX and ACH Participants due to the current market environment.
- Steady increases in Full (SFE) Participant numbers each quarter were the result of admissions of new Proprietary Full Participants. The majority of these new Proprietary Full Participants were ex-Local Participants transitioning to a new Participant status.

¹ Total number of active Participants only.

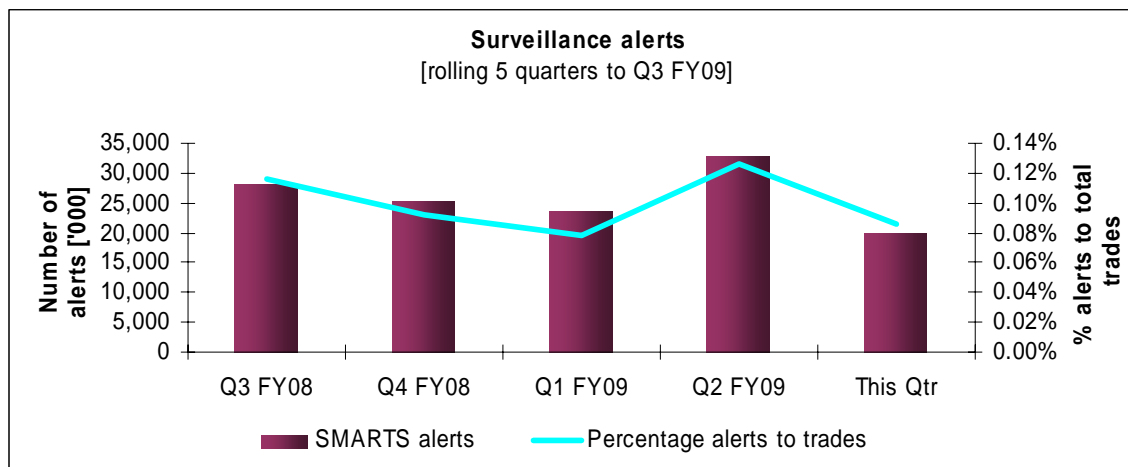
² An ASTC Specialist Settlement Participant is a participant for the purpose of effecting corporate transactions such as takeovers, buybacks, capital raisings, etc.

Waivers granted	Q3 FY09	Q2 FY09	Q1 FY09	Q4 FY08	Q3 FY08
Listing Rules	169	175	135	124	107
Market Rules	0	0	0	0	0
ASTC and ACH Rules ³	10	0	0	1	1
SFE Operating Rules	14	11	6	10	12
SFE Clearing Rules	2	1	1	0	0

- There were 169 Listing Rule waivers granted in the quarter. A large proportion related to Issuers undertaking capital management initiatives through share purchase plans enabling offers up to \$10,000 following ASIC relief, accelerated entitlement issues and underwriting of distribution re-investment plans.
- During the quarter, eight of the 10 waivers in respect of the ASTC Rules were granted to listed entities. These waivers were granted to entities that are also listed in other jurisdictions to accommodate differences relating to dividend timetables prescribed by different exchanges.
- In the March 2009 quarter, exemptions were granted to certain SFE Operating Rules relating to financial reporting deadlines for Annual Returns. The increase in the number of these exemptions can be attributed to the December year-end being a more concentrated year-end for SFE Participants. The increase was also due to the number of Participants with new auditors who were unfamiliar with the business and sought additional time to submit thorough reports.

Market surveillance

Real-time



- There were 19,907 alerts⁴ in the quarter. This represents a fall back to more normal levels and is well below the high numbers seen in the December quarter which was a period of extreme market volatility.

³ Statistics for waivers under the ASTC Rules granted to listed entities are from 1 Jan 2009.

⁴ The ASXMS surveillance system monitors real-time trading information and highlights any unusual price or volume movements in the form of alerts.

Insider trading and market manipulation

- As at the end of March 2009, Surveillance had 17 open enquiries - 12 matters relating to insider trading and five to market manipulation.

Issuer monitoring

Continuous disclosure (CD)⁵

Activity ⁶	Q3 FY09	Q2 FY09	Q1 FY09	Q4 FY08	Q3 FY08
CD queries made by ASXMS	240	224	173	272	275
Price queries made by ASXMS	211	109	71	147	78
Total CD and price queries made by ASXMS	451	333	244	419	353
Announcements made following CD query	225	203	120	246	201
Trading halts at company's request	206	190	200	282	217
Trading halts following query by ASXMS	17	13	2	17	9
Suspensions at company's request	91	81	73	32	N/A
Suspensions imposed by ASXMS for breach of the Listing Rules	32	36	13	21	N/A
Aware letters ⁷ sent by ASXMS	27	16	13	36	N/A

Note: N/A denotes data not available.

- Continuous disclosure queries (240) and price queries (211) were 35% higher in the March quarter compared to the previous quarter primarily due to increased levels of speculation about corporate funding actions and unexplained security price and/or volume movements.
- During the March quarter the securities of 32 entities were suspended from quotation by ASXMS for non-compliance with the Listing Rules, of which 23 suspensions were for failing to lodge financial accounts by the required dates.
- The Issuers unit continues to monitor closely directors' interest notices and trading by directors in black-out periods. Results of the reviews by ASXMS for the March quarter will be published in April/May 2009.
- In light of deteriorating economic conditions, a Companies Update was sent to listed entities in January 2009 reminding them of their obligations to disclose to the market expected material changes in financial results.
- Corporate governance disclosures for listed entities with a balance date of 30 June 2008 or 31 December 2008 are being reviewed and the results of this review will be published in Q4 FY09.

⁵ ASXMS raises continuous disclosure queries with listed entities when it has concerns that the entity may not be in compliance with its continuous disclosure obligations as set out in Listing Rule 3.1. Examples include queries made following broker or media reports. Price queries are a specific category of queries which are raised as a result of unusual movement in a listed entity's share price or trading volume that has been detected by ASXMS' market surveillance systems.

⁶ Note that activity data between FY08 and FY09 are not strictly comparable for a range of reasons including changes made to Query and Announcement classifications.

⁷ Aware letters are letters sent by ASXMS following an announcement by a listed entity where ASXMS asks for details of when the listed entity became aware of the material information contained in the announcement.

ASX Markets Participant monitoring

Matters commenced	Q3 FY09	Q2 FY09	Q1 FY09	Q4 FY08	Q3 FY08
ASX Participant-related enquiries ⁸ commenced	180	506	190	115	109
ASX Participant-related investigations commenced	24	33	22	38	24

- The spike in ASX Participant-related enquiries commenced in Q2 FY09 was due to the legislative changes in the reporting of short sale transactions to ASX and the monitoring of the accuracy of those reports. Participant-related enquiries have since fallen back to normal trend levels.
- The ASX Compliance Monitor went live in March 2009. This is an industry wide web-based solution implemented to automate the management of Notifications and Assessments from Participants. External Participant training was conducted in all capital cities.
- A national series of ASXMS presentations on the theme 'Issues and Expectations in a Changed Market' was conducted in all capital cities in March 2009. Over 200 representatives from Market Participants attended these workshops.
- Conditions were imposed upon the terms of continued participation by Tricom Equities Limited in ASX, ACH and ASTC facilities.

Futures supervision and capital monitoring

- All futures expiry processes in the March quarter were orderly.
- Capital returns monitoring of ASX and ACH Participants was issues-free during the quarter.

Matters commenced	Q3 FY09	Q2 FY09	Q1 FY09	Q4 FY08	Q3 FY08
SFE Participant-related matters ⁹ commenced	12	14	23	18	19
SFE Participant-related investigations commenced	28	29	40	41	53

- The fall in SFE Participant matters commenced is correlated with the decrease in turnover in derivatives markets, particularly in option volumes.

Enforcement

Referrals to ASIC	Q3 FY09	Q2 FY09	Q1 FY09	Q4 FY08	Q3 FY08
Total referrals ¹⁰ to ASIC	22	23	22	23	31
Which include the following breaches:					
Continuous disclosure	5	5	6	5	7
Market manipulation	6	4	4	4	6
Insider trading	8	4	7	7	12
Other	5	14	6	10	10

⁸ Matters include ad hoc queries, on-site reviews, self assessments, spot reviews and queries arising from complaints made against a Participant.

⁹ Includes inspections, exemption requests, financial return reviews, self assessments and other ad hoc and administrative reviews

¹⁰ A single referral may comprise more than one potential breach.

- Profit reporting season and greater than usual corporate activity in the March quarter are possible factors behind the increase in insider trading referrals.
- "Other" includes potential breaches of the Corporations Act such as breaches of capital liquidity, directors' interest notices and short selling provisions, as well as potential breaches of Australian Financial Services Licence conditions.

Disciplinary Tribunal

Matters commenced	Q3 FY09	Q2 FY09	Q1 FY09	Q4 FY08	Q3 FY08
Matters received by the Disciplinary and Appeal Tribunal during the quarter	7	4	4	2	8
Disciplinary Circulars released during the quarter	3	7	7	7	8
Disciplinary matters in progress as at the end of the quarter	10	8	17	13	16
Fines imposed during the quarter (excl GST)	\$80,000	\$162,500	\$330,000	\$200,000	\$310,000

- The Disciplinary and Appeal Tribunal determined three matters in the March quarter, imposing a total of \$80,000 in fines against two Participants involving four rule breaches.
- Credit Suisse Equities (Australia) Limited was fined \$65,000 in respect of rule breaches relating to execution of short sales, failure to settle within T+3, and failure to comply with risk-based capital requirements.
- Value Nominees Pty Limited was fined \$15,000 in respect of a settlement rule breach in failing to establish a new holder record and transfer holdings into the new record within one business day after receiving a Notice.

ASIC outcomes arising from ASXMS referrals

During the March 2009 quarter, ASIC commenced proceedings or obtained outcomes in the following matters that were referred to it by ASXMS:

- Maintenance of an artificial price in Senetas Corporation Limited in which ASIC obtained an enforceable undertaking (refer ASIC Advisory 09-01).
- Creation of an artificial price and a false and misleading market in Select Vaccines Limited for which ASIC has commenced proceedings (Refer ASIC Advisory AD09-03).
- Market manipulation of Genetic Technologies Limited in which former client advisers were given suspended custodial sentences (refer ASIC Advisory AD09-10).
- Market manipulation of Community Life in which a former client adviser was banned by ASIC for six years (refer ASIC Advisory AD09-21).
- Insider trading and tipping in Visions Systems Limited for which the former client adviser was banned for five years (refer ASIC Advisory 09-16).
- Insider trading in Queensland Gas in advance of a merger (Refer ASIC Market Release MR09-10).
- Short selling of Flinders Mines in which ASIC obtained an enforceable undertaking (refer ASIC Advisory 09-22).
- ASX settlement delays in which ASIC imposed additional licence conditions upon Tricom Equities Limited (refer ASIC Advisory 09-20).

- Deficiencies in operational procedures in which ASIC obtained an enforceable undertaking from ANZ Nominees Limited (refer ASIC Market Release MR09-37).

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