



## MARKET ANNOUNCEMENT

3 September 2009

### ASX Group Monthly Activity Report – August 2009

Values of ASX-listed stocks rose for the sixth consecutive month as markets in the US and Europe continued their recent rally. In contrast, Asian markets, led by China, gave back some of their recent strong gains during August.

Volatility in Australian equity markets (as measured by daily movements in the All Ordinaries Index) remained relatively subdued with average daily movements of 0.8%, mirroring similar volatility in US markets. Expectations of future volatility (as measured by the (VIX) CBOE Volatility Index) also remained relatively modest.

Activity in the primary capital raising market remained subdued in August with four initial public offerings (IPOs) 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 August, there were several large individual capital raisings including Amcor (\$1.2 billion), Goodman Group (\$1.0 billion) and Transpacific Industries (\$0.8 billion).

Daily average trading volumes in cash equities were at record levels in August.

Robust primary issuance of fixed interest securities and a firming market view on a tightening of monetary policy helped underpin stronger trading activity in fixed income derivative products.

#### Listings and capital raisings

- In August 2009 there were 4 new listings, compared to 6 in the previous corresponding period (pcp). Total listed entities at the end of August 2009 were 2,173<sup>1</sup>, down 3% on the 2,233 a year ago.
- Total capital raised in August 2009 amounted to \$6.33 billion, up 7% on the pcp. There was \$69 million of new capital raised and \$6.26 billion in secondary raisings.

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

The All Ordinaries Index closed at 4,484.1, a rise of 5.5% over the course of the month. The index remains 14% below its level of a year ago but is up 44.1% from the low in early March 2009.

- Total cash market trades for August 2009 were 11.2 million, up 23% on the pcp.
- Average daily trades for August 2009 of 534,028 were also 23% higher than the pcp.
- Total cash market traded value was \$122.6 billion in August 2009, up 13% on the pcp, with a daily average value of \$5.8 billion, also up 13% on the pcp.
- In August 2009 the average value per trade was \$10,935, down 8% on the pcp of \$11,896, and the percentage of traded value crossed was 30% (27% pcp). This included a large crossing of Telstra securities as the Government's Future Fund reduced its holding.

---

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

## Trading - Derivatives markets

Activity in Australian interest rate futures contracts increased in August compared to July, as market views firmed that short-term interest rates had bottomed and that the RBA would shortly begin to tighten monetary policy. Debt issuers were looking to take advantage of the recent narrowing in spreads to lock-in relative attractive funding rates.

While the Reserve Bank kept the official cash rate unchanged in August for the fourth consecutive month, there was a significant flattening in the implied bond futures yield curve. This occurred as market expectations grew of an earlier and sharper tightening in monetary policy than previously anticipated and the impact this would have on the future path of economic growth and inflation. The spread between the implied yields of the 3 Year and 10 Year Bond Futures fell from 64 basis points to 36 basis points during the month.

The SFE Overnight Cash Rate Futures contract yield curve continued to shift upwards during August, with the market now expecting a monetary policy tightening (of around 50 basis points) by the end of this calendar year and rate rises totaling around 200 basis points over the next two years. The yield on the March 2010 Overnight Cash Rate Futures contract rose 50 basis points during the month, reflecting this view of an accelerated policy tightening cycle.

Issuance of Australian Government debt saw a further \$4.8 billion worth of bonds issued during August. Austraclear holdings of semi-government bonds rose by \$2.5 billion and of corporate bonds by \$8.1 billion over the month.

- Equity derivatives volume (excluding ASX SPI 200) for August 2009 was 1.8 million contracts, up 21% on the pcp, with a daily average of 84,480 contracts, also up 21% on pcp.
- Total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for August 2009 was 5.3 million, down 7% on the pcp, with a notional value of \$2.47 trillion. Average daily contracts volume during August of 250,378 was also down 7% on the pcp.
- ASX SPI 200 Index Futures contract volumes traded in August 2009 were 0.7 million, up 17% on August 2008.
- A total of 9,953 ASX CFD trades were transacted in August 2009 comprising a volume of 14.7 million contracts. The total notional value of all CFD trades for August was \$339.9 million and the value of CFD open interest at the end of August was \$85.2 million.

## Clearing

All on-market trades (equities and derivatives markets) are novated by ASX's two central counterparty clearing house subsidiaries, 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 \$4.1 billion over August (excluding equity securities lodged in excess of the margin requirement), with margins lodged in cash averaging \$3.1 billion.
- Continued lower market volatility during the month kept intra-day margin call activity at low levels.

## Settlement

There were no delays with the completion of batch settlement in the equities market during August 2009 and fixed income settlement through Austraclear was conducted normally.

Equity settlement delivery fail rates continue to average well below 1% daily, which itself is low by global standards for developed equity settlement systems.

## 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 August.

- In August 2009, there were:
  - 10,156 company announcements processed, in line with pcp;
  - 93 price queries issued to listed entities, up 52% on previous month; and
  - 151 trading halts granted, up 113% on pcp.

A comprehensive quarterly report of ASX Markets Supervision activities and outcomes will be published next month.

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

### For further information:

Media  
Roula Rodopoulos  
Corporate Relations Adviser  
(BH) +61 2 9227 0410  
[roula.rodopoulos@asx.com.au](mailto:roula.rodopoulos@asx.com.au)  
[www.asx.com.au/media](http://www.asx.com.au/media)

Investor Relations  
Rachel Cooper  
Investor Relations Coordinator  
(BH) +61 2 9227 0835  
[rachel.cooper@asx.com.au](mailto:rachel.cooper@asx.com.au)  
[www.asx.com.au/shareholder](http://www.asx.com.au/shareholder)

	Aug 2009	Aug 2008	Aug 2009 Financial YTD	Aug 2008 Financial YTD
<b>Cash Markets</b>				
Total Trading Days	21	21	44	44
<b>Cash Market Volume</b>				
Total Trades	11,214,582	9,139,465	21,198,523	19,374,157
Change on PCP	23%		9%	
Average Daily Trades	534,028	435,213	481,785	440,322
Change on PCP	23%		9%	
<b>Cash Market Value (including Value of Crossed Trades)</b>				
Total Value (\$billion)	122.630	108.725	224.830	235.513
Change on PCP	13%		(5%)	
Average Daily Value (\$billion)	5.840	5.177	5.110	5.353
Change on PCP	13%		(5%)	
			234	
<b>Cash Market Behaviour Statistics</b>				
Percentage of Turnover Crosses (%)	30%	27%	29%	26%
Off-Market Crossings Represent 17% and On-Market 13% of Turnover				
<b>Non Billable Value (Above Cap) (\$billion)</b>				
Total Billable Value (\$billion)	6.832	2.768	9.520	5.623
Billable Value - Off-Market Crossings (%)	115.798	105.957	215.310	229.890
Billable Value - On-Market Crossings (%)	12%	12%	13%	11%
	14%	13%	13%	13%
Note: Cash Market includes Equity, Warrant and Interest Rate Market Transactions				
<b>Derivatives Markets</b>				
Equity Derivatives Total Trading Days	21	21	44	44
<b>Equity Derivatives Volume (excluding SPI 200)</b>				
Total Contracts	1,774,087	1,462,253	3,249,611	3,134,348
Change on PCP	21%		4%	
Average Daily Contracts	84,480	69,631	73,855	71,235
Change on PCP	21%		4%	
<b>Futures &amp; Options Total Trading Days</b>				
	21	21	44	44
<b>Futures Volume (including SPI 200)</b>				
Total Contracts	5,039,117	5,493,699	9,974,147	10,971,052
Change on PCP	(8%)		(9%)	
Average Daily Contracts	239,958	261,605	226,685	249,342
Change on PCP	(8%)		(9%)	
<b>Options on Futures Volume</b>				
Total Contracts	218,830	179,440	473,086	399,807
Change on PCP	22%		18%	
Average Daily Contracts	10,420	8,545	10,752	9,087
Change on PCP	22%		18%	
<b>Total Futures &amp; Options (Derivatives) Volume</b>				
Total Contracts	5,257,947	5,673,139	10,447,233	11,370,859
Change on PCP	(7%)		(8%)	
Average Daily Contracts	250,378	270,149	237,437	258,429
Change on PCP	(7%)		(8%)	
<b>CFD Market</b>				
Total Trades	9,953	7,557	18,468	16,174
Notional Value Traded (\$million)	339.9	160.9	606.7	340.2
Total Open Interest Value as at 31 August (\$million)	85.2	71.2	85.2	71.2
Total Contracts	14,705,041	5,124,991	27,179,621	12,005,376
<b>Listings and Capital Raisings</b>				
New Listed Entities Admitted	4	6	6	19
Change on PCP	(33%)		(68%)	
Total Listed Entities (at End of Month)	2,173	2,233		
Change on PCP	(3%)			
Initial Capital Raised (\$million)	69	140	189	1,192
Secondary Capital Raised (\$million)	6,264	5,764	21,221	10,767
Total Capital Raised (\$million)	6,333	5,904	21,410	11,959
Other Capital Raised including Scrip for Scrip (\$million)	297	679	622	7,307
<b>Margin Balances - at End of Month</b>				
Cash Margins Held on Balance Sheet (\$billion)	3.0	3.9		
Cash Equivalents Held on Balance Sheet (\$billion)	0.0	0.0		
Collateral Cash Cover Held (Equities and Guarantees) (\$billion)	4.0	3.5		