



MARKET ANNOUNCEMENT

3 December 2009

ASX Group Monthly Activity Report – November 2009

Values of ASX-listed stocks rose slightly (1.5%) during November 2009, partially reversing the decline experienced in October. Most major global markets also rebounded during November, particularly in North America, with the US S&P 500 Index (up 5.7%) and Canadian TSX Composite Index (up 4.9%) experiencing strong rises.

Volatility remained relatively subdued in Australian equity markets (as measured by daily movements in the All Ordinaries Index) with average daily movements of 1.0%, despite an increase in uncertainty towards the end of November as a result of the financial difficulties of Dubai World. Volatility in US markets (S&P 500 Index) declined slightly to 0.8%, and expectations of future volatility (as measured by the CBOE Volatility Index (VIX)) also fell over the month.

Activity in Australia's primary capital raising market continued its recent resurgence with 13 initial public offerings (IPOs) during November, including Myer Holdings Ltd (\$2.4 billion) and Kathmandu (\$0.3 billion). Secondary capital raisings remained robust. During November secondary capital raisings were dominated by raisings under \$1 billion, with a notable exception being Babcock & Brown Infrastructure which made a \$1.5 billion placement.

Secondary market activity in equity markets remained strong, with a total of 11.4 million cash market trades transacted in November 2009, 1% ahead of October on a daily average basis.

Listings and capital raisings

- In November 2009 there were 13 new listings, compared to four in the previous corresponding period (pcp). Total listed entities at the end of November 2009 were 2,181¹, down 2% on the 2,227 a year ago.
- Total capital raised in November 2009 amounted to \$9.7 billion, up 16% on the pcp. There was \$2.9 billion of initial capital raised and \$6.7 billion in secondary raisings. For the first five months of financial year 2010, capital raised from IPOs (\$5.1 billion) and secondary raisings (\$43.5 billion) is up 264% and 53% respectively on pcp.

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

The All Ordinaries Index closed at 4,715.5 points, a rise of 1.5% over the course of the month. The index is 28.4% higher than its level of a year ago, and is up 51.5% from the low in early March 2009, but is 31.2% lower than its peak in November 2007.

- Total cash market trades for November 2009 were 11.4 million, up 37% on the pcp.
- Average daily trades for November 2009 of 540,955 were 31% higher than the pcp.
- Total cash market traded value was \$106.7 billion in November 2009, up 25% on the pcp, with a daily average value of \$5.1 billion, up 19% on the pcp.

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.

- In November 2009 the average value per trade was \$9,394, down 9% on the pcp of \$10,314, and the percentage of traded value crossed was 29% (26% pcp).

Trading – Financial derivatives markets

Trading in interest rate futures contracts continued to be healthy in November 2009 with changing expectations of the future path of cash rates driving trading activity.

The SFE Overnight Cash Rate futures contract yield curve flattened during November as the market reassessed the extent of monetary policy tightening expected over the next 18 months.

The Reserve Bank of Australia (RBA) announced a further 25 basis point increase in the official cash rate on 1 December to 3.75%. This was the third consecutive rate increase, following similar rises in both October and November.

Short-term yields nudged higher during November with 90 Day Bank Bill rates rising by 14 basis points while longer-term rates declined with 10 Year Commonwealth Bond yields down by around 30 basis points.

The three-month Bank Bill Swap yield declined from 70 basis points over the official cash rate at the beginning of November to 50 basis points by the end of the month.

Trading activity in 3 Year Treasury Bond futures was particularly strong during November, as the contract has become a focal point of liquidity across the yield curve from a trading and portfolio management perspective.

Commonwealth Government bond issuance in November (\$4.8 billion) was well up on the previous two months and the Government's Mid-Year Economic and Fiscal Outlook indicated that a further \$32-\$34 billion would be raised over the remainder of the financial year, less than the overall borrowing task expected at the time of the 2009-10 Budget. The Government also indicated that it would be issuing a new 2022 Treasury bond maturity in the last quarter of this financial year.

- Equity derivatives volume (excluding ASX SPI 200) for November 2009 was 1.7 million contracts, up 9% on the pcp, with a daily average of 83,281 contracts, up 4% on pcp.
- Total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for November 2009 was 5.3 million, up 54% on the pcp, with a notional value of \$2.5 trillion. Average daily contracts volume during November of 252,272 was up 47% on the pcp, with options traded up 150% on pcp and 61% on a year-to-date basis.
- ASX SPI 200 Index futures contract volume traded in November 2009 was 0.6 million, down 16% on the pcp. The difference to November 2008 activity is not surprising given the greater usage of that contract during the short selling prohibition on single stocks that was introduced in September 2008.
- A total of 12,642 ASX CFD trades were transacted in November 2009, up 140% on the pcp, comprising a volume of 12.0 million contracts. The total notional value of all CFD trades for November was \$318.3 million, more than triple the \$96.6 million in the pcp, while the value of CFD open interest at the end of November was \$113.1 million, up 190% on pcp.

Trading – Commodity derivatives markets

November was a record month for the Australian electricity futures and options market. Prices and trading activity were driven by the unexpectedly hot weather across South-Eastern Australia in conjunction with the expiry of 2010 calendar year options.

- Monthly electricity futures and options volume of 22,094 contracts was an increase of 138% on November 2008, and a 27% increase on the previous record of 17,359 contracts set in March 2007.
- Calendar year-to-date volume of 120,846 contracts is a 22% increase on the same period last year.

Against the uncertainty for the prospects of passage of the Carbon Pollution Reduction Scheme legislation, trading and open interest in electricity derivatives (53,689 contracts at end of November, a 12% increase on the pcp) continue to occur almost exclusively in contracts maturing in the period prior to the Scheme's proposed mid-2011 start date.

ASX's grain futures and options products continue to attract demand as an important hedging tool for growers, traders, and other market participants. The new Western Australia Wheat contract, listed in September 2009, has already traded 19,796 contracts (representing in excess of 395,000 tonnes of grain), with open interest as at the end of November 2009 of 16,661 contracts (more than 330,000 tonnes).

- A total of 30,479 contracts in the suite of listed commodities (wheat, barley, sorghum and canola) were traded during November 2009, up 79% on the pcp. For the financial year-to-date, traded volumes are up 87% on the pcp.
- Total market open interest as at the end of November was at a record 75,369 contracts, which represents more than 1.5 million tonnes of Australian grain and oilseed.

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 \$3.5 billion over November 2009 (including excess cash collateral but excluding equity securities lodged in excess of the margin requirement), with cash margins lodged averaging \$2.9 billion.
- Intra-day margin call activity increased in November (\$51.5 million called) in comparison to relatively low levels in recent months.

Settlement

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

The levels of total debt holdings in Austraclear rose over the course of November by \$10.4 billion to \$1.1 trillion, with the largest rises being in corporate bonds (+\$5.8 billion), Treasury Bills (+\$5.3 billion) and Floating Rate Notes (+\$4.4 billion). Holdings of Guaranteed Certificates of Deposit (GCD) decreased by \$1.1 billion, Electronic Certificates of Deposit (ECD) decreased by \$1.7 billion and Electronic Bank Accepted Bills decreased by \$1.4 billion. The amount of GCD on issue represents approximately 4.4% of the total ECD on issue as at 30 November 2009 compared to a peak of approximately 6.3% as at the end of February 2009.

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

On 2 November 2009 ASX began the first phase of an initiative to improve the transparency of securities lending activity in the Australian equities market, by publishing a daily securities lending transaction report depicting gross transactional flow. Complementing this disclosure is information about the volume of securities lending transactions as a proportion of total transactions, the composition of the daily settlement batch, and a report measuring daily settlement performance.

From 14 December 2009 the final phase of this initiative will be implemented allowing net stock loan and borrowed figures to be published.

These new reports can be found on the ASX website: http://www.asx.com.au/professionals/securities_lending/index.htm

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 November.

- In November 2009, there were:
 - 11,993 company announcements processed, up 10% on pcp;
 - 83 price queries issued to listed entities, down 13% on previous month (pcp not available); and
 - 161 trading halts granted, up 124% on pcp.

A detailed activity statement for ASX group markets for November 2009 is attached.

For further information:

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

Investor Relations
Ramy Aziz
Group Financial Controller
(BH) +61 2 9227 0027
ramy.aziz@asx.com.au
www.asx.com.au/shareholder

| | Nov 2009 | Nov 2008 | Nov 2009 Financial YTD | Nov 2008 Financial YTD |
|--|------------|-----------|---------------------------|---------------------------|
| Cash Markets | | | | |
| Total Trading Days | 21 | 20 | 109 | 109 |
| Cash Market Volume | | | | |
| Total Trades | 11,360,063 | 8,263,941 | 56,679,622 | 48,477,259 |
| Change on PCP | 37% | | 17% | |
| Average Daily Trades | 540,955 | 413,197 | 519,997 | 444,745 |
| Change on PCP | 31% | | 17% | |
| Cash Market Value (including Value of Crossed Trades) | | | | |
| Total Value (\$billion) | 106.717 | 85.238 | 580.779 | 561.292 |
| Change on PCP | 25% | | 3% | |
| Average Daily Value (\$billion) | 5.082 | 4.262 | 5.328 | 5.149 |
| Change on PCP | 19% | | 3% | |
| Cash Market Behaviour Statistics | | | | |
| Percentage of Turnover Crosses (%) | 29% | 26% | 30% | 26% |
| Off-Market Crossings Represent 16% and On-Market 13% of Turnover | | | | |
| Non Billable Value (Above Cap) (\$billion) | | | | |
| Total Billable Value (\$billion) | 3.327 | 3.841 | 21.741 | 18.366 |
| Billable Value - Off-Market Crossings (%) | 103.390 | 81.397 | 559.038 | 542.926 |
| Billable Value - On-Market Crossings (%) | 13% | 10% | 14% | 11% |
| Billable Value - On-Market Crossings (%) | 13% | 13% | 13% | 13% |
| Note: Cash Market includes Equity, Warrant and Interest Rate Market Transactions | | | | |
| Derivatives Markets | | | | |
| Equity Derivatives Total Trading Days | 21 | 20 | 109 | 109 |
| Equity Derivatives Volume (excluding SPI 200) | | | | |
| Total Contracts | 1,748,895 | 1,608,565 | 8,554,640 | 8,466,279 |
| Change on PCP | 9% | | 1% | |
| Average Daily Contracts | 83,281 | 80,428 | 78,483 | 77,672 |
| Change on PCP | 4% | | 1% | |
| Futures & Options Total Trading Days | | | | |
| | 21 | 20 | 109 | 109 |
| Futures Volume (including SPI 200) | | | | |
| Total Contracts | 5,031,841 | 3,340,394 | 26,791,545 | 28,396,799 |
| Change on PCP | 51% | | (6%) | |
| Average Daily Contracts | 239,611 | 167,020 | 245,794 | 260,521 |
| Change on PCP | 43% | | (6%) | |
| Options on Futures Volume | | | | |
| Total Contracts | 265,861 | 101,132 | 1,303,256 | 811,439 |
| Change on PCP | 163% | | 61% | |
| Average Daily Contracts | 12,660 | 5,057 | 11,956 | 7,444 |
| Change on PCP | 150% | | 61% | |
| Total Futures & Options (Derivatives) Volume | | | | |
| Total Contracts | 5,297,702 | 3,441,526 | 28,094,801 | 29,208,238 |
| Change on PCP | 54% | | (4%) | |
| Average Daily Contracts | 252,272 | 172,076 | 257,750 | 267,965 |
| Change on PCP | 47% | | (4%) | |
| CFD Market | | | | |
| Total Trades | 12,642 | 5,258 | 53,410 | 38,184 |
| Notional Value Traded (\$million) | 318.3 | 96.6 | 1,666.5 | 846.4 |
| Total Open Interest Value as at 30 November (\$million) | 113.1 | 39.0 | 113.1 | 39.0 |
| Total Contracts | 12,016,682 | 2,814,389 | 70,220,889 | 24,011,258 |
| Listings and Capital Raisings | | | | |
| New Listed Entities Admitted | 13 | 4 | 29 | 32 |
| Change on PCP | 225% | | (9%) | |
| Total Listed Entities (at End of Month) | 2,181 | 2,227 | | |
| Change on PCP | (2%) | | | |
| Initial Capital Raised (\$million) | 2,935 | 0 | 5,096 | 1,400 |
| Secondary Capital Raised (\$million) | 6,719 | 8,344 | 43,516 | 28,391 |
| Total Capital Raised (\$million) | 9,654 | 8,344 | 48,612 | 29,791 |
| Other Capital Raised including Scrip for Scrip (\$million) | 997 | 495 | 2,024 | 11,147 |
| Margin Balances - at End of Month | | | | |
| Cash Margins Held on Balance Sheet (\$billion) | 2.7 | 7.6 | | |
| Cash Equivalents Held on Balance Sheet (\$billion) | 0.0 | 0.0 | | |
| Collateral Cash Cover Held (Equities and Guarantees) (\$billion) | 4.1 | 2.6 | | |