



## MARKET ANNOUNCEMENT

6 July 2009

### ASX Group Monthly Activity Report – June 2009

The All Ordinaries Index rose for the fourth consecutive month during June, to be 7.9% higher over the first half of 2009 but down a total of 26% over the full financial year. Returns in world equity markets over the past six months were varied, ranging from small declines in Europe and small increases in the US to large rebounds in Hong Kong and Singapore.

While the global economic outlook continued to weaken, the relatively strong performance of the Australian economy has provided a solid foundation to underpin capital market activity over recent months. Continued moderation in credit market conditions in Australia and abroad during June reflected rising confidence that the worst of the financial crisis may have passed, even if there is still considerable uncertainty about the growth path ahead.

Volatility in Australian equity markets (as measured by daily movements in the All Ordinaries Index) remained around levels experienced in the previous three months, with average daily movements of 1.2% during June. At the same time, US volatility has declined significantly, with daily movements in the S&P 500 Index averaging 0.9% during June (down from 2.4% in March). Expectations of future volatility (as measured by the (VIX) CBOE Volatility Index) have also continued to moderate, with the index falling to levels last experienced prior to the collapse of Lehman Brothers in September 2008.

Overall capital raising and secondary trading activity (equities and derivatives) were very strong in June.

Primary capital raisings remained weak in June with only one new listing during the month. However, significant secondary capital raising activity continued to flow as companies took advantage of strong demand for stock and the underlying efficiency of the capital raising process in Australia. During June, there were several large individual capital raisings, including ANZ Bank (\$2.5 billion), Santos Ltd (\$1.2 billion) and Mirvac Group (\$0.9 billion), and many smaller raisings.

Daily average cash equities trading volume in June was the strongest since September 2008.

Increased primary issuance of fixed interest securities and a market reassessment of the future direction of interest rates helped underpin stronger trading activity in fixed income derivative products.

#### Listings and capital raisings

- In June 2009 there was one new listing, compared to 14 in the previous corresponding period (pcp). In FY09, 45 new entities listed, compared to 236 in the previous year. Total listed entities at the end of June 2009 were 2,198<sup>1</sup>, down marginally on the 2,226 a year ago.
- Total capital raised in June 2009 amounted to \$10.2 billion, up 95% on the pcp. There was \$77.3 million of new capital raised and \$10.1 billion in secondary raisings. Capital raisings in FY09 comprised initial raisings of \$1.9 billion, down 83% on FY08, and secondary raisings of \$88.1 billion, up 74% on FY08. Total capital raised in FY09 was \$90 billion, an all-time record, eclipsing the previous record of \$77.9 billion raised in FY07.

---

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

The All Ordinaries Index closed at 3,947.8, a rise of 3.5% over the course of the month. The index remains 26% below its level of a year ago but is up 26.9% from the low in early March 2009.

- Total cash market trades for June 2009 were 10.3 million, up 8% on the pcp. Total trades for FY09 were 106.7 million, up 17% on the pcp.
- Average daily trades for June 2009 of 490,048 were 3% higher than the pcp. Average daily trades for FY09 were 420,002, up 16% on the pcp.
- Total cash market traded value was \$116.3 billion in June 2009, down 13% on the pcp, with a daily average value of \$5.5 billion, down 17% on the pcp. Total value traded for FY09 was \$1.1 trillion corresponding to an average daily value of \$4.4 billion, both down 30% on the pcp.
- In June 2009 the average value per trade was \$11,303, down 20% on the pcp of \$14,098, and the percentage of traded value crossed was 31% (29% pcp). The average value per trade for FY09 was \$10,587, down 40% on pcp (\$17,692).

## Trading - Derivatives markets

Activity in Australian interest rate futures contracts was strong in June (a contract expiry month), assisted by changing sentiment about the future course of interest rates flowing from stronger than expected economic growth in Australia and continued strong debt issuance.

Monthly trading in the 3 year bond contract (the most actively traded contract on the SFE platform) was the highest in nine months, since the September 2008 expiry, when credit market conditions deteriorated sharply following the Lehman collapse.

While the Reserve Bank kept the official cash rate unchanged at 3% at its meeting on 2 June, the past month has seen considerable movement in expectations for the future path of interest rates. The SFE overnight cash rate futures contract yield curve shifted sharply upwards over the course of June. It is now indicating that the market has largely discounted any expectation of further official interest rate cuts over the second half of 2009, with the official rate expected to begin moving up around the end of the first quarter of 2010 and rising steadily for the remainder of 2010.

Continued Australian Government debt raising saw \$4.7 billion worth of bonds and \$4.8 billion of Treasury Notes issued during June. Austraclear holdings of semi-government bonds rose by \$4.5 billion over the month.

While demand for government paper remained healthy, bond rates continued to edge up across the yield curve during June. Bond futures yields (adjusted for the roll in contracts) rose over June, with the 3 year contract rising by 56 basis points and the 10 year contract 20 basis points higher than at the end of May.

Australian companies, particularly financial institutions, continue to tap debt markets. Austraclear holdings of domestic corporate bonds rose by \$9.5 billion over the month.

- Equity derivatives volume (excluding the ASX SPI 200) for June 2009 was 1.6 million contracts, down 5% on the pcp, with a daily average of 78,505 contracts, down 9% on pcp. Total equity derivatives volume (excluding the ASX SPI 200) for FY09 was 19 million contracts, down 18% on the pcp, corresponding to an average daily volume of 74,821 contracts, down 19% on the pcp.
- Total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for June 2009 was 7.3 million, down 11% on the pcp, with a notional value of \$2.3 trillion. Average daily contracts volume during June of 331,755 was down 15% on the pcp. Total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for FY09 was 64.1 million contracts corresponding to an average daily volume of 250,257 contracts, both down 28% on the pcp.

- ASX SPI 200 index futures contract volume traded in June 2009 was 1.3 million, up 11% on June 2008. Total FY09 ASX SPI 200 index futures contract volume was 10.4 million, up 14.2% on the pcp.
- A total of 6,730 ASX CFD trades were transacted in June 2009 comprising a volume of 12.6 million contracts. The total notional value of all CFD trades for June was \$219.9 million and the value of CFD open interest at the end of June was \$64.7 million.

## 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 \$5.3 billion over June (excluding equity securities lodged in excess of the margin requirement), with margins lodged in cash averaging \$3.9 billion. These are less than May levels as a result of reduced positions (in the wake of the June quarter expiry) and risk parameters that have been lowered in line with improved market conditions.
- Continued lower market volatility during the month kept intra-day margin call activity at low levels.
- There were two material initial margin review adjustments during the month. These resulted in falls in the margin rates for the five major futures contracts and for most single stock exchange-traded option contracts.

## Settlement

There were no delays with the completion of batch settlement in the equities market during June 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 \$8.9 billion in Guaranteed Electronic Negotiable Certificates of Deposit as 30 June 2009. This amount represents approximately 3.8% of the total Electronic Certificates of Deposit on issue at that 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 detailed activity statement for ASX Group markets for June 2009 is attached.

A separate **ASX Markets Supervision Quarterly Activity Report** (June 2009 quarter) has also been released today.

## 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)

	Jun 2009	Jun 2008	Jun 2009 Financial YTD	Jun 2008 Financial YTD
<b>Cash Markets</b>				
<b>Total Trading Days</b>	21	20	254	253
<b>Cash Market Volume</b>				
Total Trades	10,291,002	9,498,308	106,680,451	91,329,958
Change on PCP	8%		17%	
Average Daily Trades	490,048	474,915	420,002	360,988
Change on PCP	3%		16%	
<b>Cash Market Value (including Value of Crossed Trades)</b>				
Total Value (\$billion)	116.318	133.909	1,129.460	1,615.846
Change on PCP	(13%)		(30%)	
Average Daily Value (\$billion)	5.539	6.695	4.447	6.387
Change on PCP	(17%)		(30%)	
<b>Cash Market Behaviour Statistics</b>				
Percentage of Turnover Crosses (%)	31%	29%	26%	27%
Off-Market Crossings Represent 20% and On-Market 11% of Turnover				
Non Billable Value (Above Cap) (\$billion)	4.329	4.789	36.235	56.264
Total Billable Value (\$billion)	111.989	129.120	1,093.226	1,559.582
Billable Value - Off-Market Crossings (%)	17%	14%	12%	11%
Billable Value - On-Market Crossings (%)	11%	13%	13%	14%
Note: Cash Market includes Equity, Warrant and Interest Rate Market Transactions				
<b>Derivatives Markets</b>				
<b>Equity Derivatives Total Trading Days</b>	21	20	254	253
<b>Equity Derivatives Volume (excluding SPI 200)</b>				
Total Contracts	1,648,615	1,733,000	19,004,552	23,229,316
Change on PCP	(5%)		(18%)	
Average Daily Contracts	78,505	86,650	74,821	91,815
Change on PCP	(9%)		(19%)	
<b>Futures &amp; Options Total Trading Days</b>	22	21	256	256
<b>Futures Volume (including SPI 200)</b>				
Total Contracts	7,107,677	8,025,412	62,263,294	86,531,541
Change on PCP	(11%)		(28%)	
Average Daily Contracts	323,076	382,162	243,216	338,014
Change on PCP	(15%)		(28%)	
<b>Options on Futures Volume</b>				
Total Contracts	190,922	205,688	1,802,484	2,578,044
Change on PCP	(7%)		(30%)	
Average Daily Contracts	8,678	9,795	7,041	10,070
Change on PCP	(11%)		(30%)	
<b>Total Futures &amp; Options (Derivatives) Volume</b>				
Total Contracts	7,298,599	8,231,100	64,065,778	89,109,585
Change on PCP	(11%)		(28%)	
Average Daily Contracts	331,755	391,957	250,257	348,084
Change on PCP	(15%)		(28%)	
<b>CFD Market (commenced 5 Nov 2007)</b>				
Total Trades	6,730	7,469	85,883	50,772
Notional Value Traded (\$million)	219.9	170.1	1,974.0	1,561.2
Total Open Interest Value as at 30 June (\$million)	64.7	67.4	64.7	67.4
Total Contracts	12,621,363	5,857,511	90,329,644	56,442,484
<b>Listings and Capital Raisings</b>				
New Listed Entities Admitted	1	14	45	236
Change on PCP	(93%)		(81%)	
Total Listed Entities (at End of Month)	2,198	2,226		
Change on PCP	(1%)			
Initial Capital Raised (\$million)	77	239	1,885	11,206
Secondary Capital Raised (\$million)	10,095	4,967	88,079	50,642
Total Capital Raised (\$million)	10,173	5,206	89,964	61,848
<b>Margin Balances - at End of Month</b>				
Cash Margins Held on Balance Sheet (\$billion)	2.7	2.8		
Cash Equivalents Held on Balance Sheet (\$billion)	0.8	0.8		
Collateral Cash Cover Held (Equities and Guarantees) (\$billion)	3.5	3.7		