



MARKET ANNOUNCEMENT

6 October 2009

ASX Group Monthly Activity Report – September 2009

Values of ASX-listed stocks rose for the seventh consecutive month as global markets continued to move higher. Volatility in Australian equity markets (as measured by daily movements in the All Ordinaries Index) remained relatively subdued again this month with average daily movements of 0.8%, similar to volatility levels experienced in US markets.

Activity in the primary capital raising market picked up somewhat in September with six initial public offerings (IPOs) during the month, with the amount of new capital raised topping \$1 billion for the first time since July 2008. There are increasing reports of a pipeline of new issues due to come to market in coming months. Secondary capital raisings continued to remain robust.

During September there were several large individual capital raisings including National Australia Bank (\$752 million), Paladin Energy (\$430 million) and Boart Longyear (\$417 million).

A record 12.3 million cash equity trades were transacted in September 2009, 10% higher than the previous record of 11.2 million cash equity trades in August 2009.

Listings and capital raisings

- In September 2009 there were 6 new listings, level with the previous corresponding period (pcp). Total listed entities at the end of September 2009 were 2,171¹, down 3% on the 2,234 a year ago.
- Total capital raised in September 2009 amounted to \$8.57 billion, up 224% on the pcp. There was \$1.89 billion of new capital raised and \$6.69 billion in secondary raisings.

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

The All Ordinaries Index closed at 4,739.3, a rise of 5.7% over the course of the month. The index has increased 2.3% over its level of a year ago and is up 52.3% from the low in early March 2009.

- Total cash market trades for September 2009 were 12.3 million, up 12% on the pcp.
- Average daily trades for September 2009 of 560,089 were also 12% higher than the pcp.
- Total cash market traded value was \$131.4 billion in September 2009, down a modest 3% on the pcp, with a daily average value of \$6.0 billion, also down 3% on the pcp.
- In September 2009 the average value per trade was \$10,667, down 13% on the pcp of \$12,327, and the percentage of traded value crossed was 33% (27% 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.

Trading - Derivatives markets

Interest rate market activity in September saw some moderation from the pace set in the previous three months. The rate of new wholesale debt issuance slowed and a number of large domestic financial institutions (major trading banks) approached their financial year-end. The levels of total debt holdings in Austraclear remained largely static over the month (due to a slowing in Government and corporate bond issuance), while interest rate futures activity in September, a futures roll month, was more subdued than that of the previous roll month of June.

Both short and long-term debt yields range-traded over the month, ending at levels similar to those seen at the end of August.

The increasingly positive global and domestic economic recovery assessments were offset somewhat by more mixed economic news in the US (home sales and durable goods orders) and in Australia (retail sales and employment numbers) in early September.

- Equity derivatives volume (excluding ASX SPI 200) for September 2009 was 1.9 million contracts, up 1% on the pcp, with a daily average of 86,866 contracts, also up 1% on pcp.
- Total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for September 2009 was 6.9 million, down 25% on the pcp, with a notional value of \$2.53 trillion. Average daily contracts volume during September of 311,886 was also down 25% on the pcp.
- ASX SPI 200 Index Futures contract volumes traded in September 2009 were 1.2 million, down 14% on September 2008.
- A total of 9,413 ASX CFD trades were transacted in September 2009 comprising a volume of 15.4 million contracts. The total notional value of all CFD trades for September was \$339.8 million and the value of CFD open interest at the end of September was \$95.9 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 \$3.94 billion over September (including excess cash collateral but excluding equity securities lodged in excess of the margin requirement), with cash margins lodged averaging \$2.97 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 September 2009 and fixed income settlement through Austraclear was conducted normally.

There was a notable increase in turnover of medium-term securities in Austraclear during September 2009. Total turnover in domestic wholesale debt in September 2009 was \$872 billion, of which 53% related to fixed interest securities, compared to 49% of \$787 billion turnover in August 2009.

This is reflective of global economic and credit conditions continuing to improve, and the increasing offshore and domestic investor interest in Australian dollar-denominated securities given relatively high domestic wholesale yields and the strength of the local currency.

Equity settlement delivery fail rates continue to average well below 1% daily, which itself is low by global standards for developed equity settlement systems. The introduction of the close-out requirement on ASTC Settlement participants, from 30 March 2009, has further improved settlement certainty and efficiency. Since its introduction, 85% of settlements not completed either in full or partially on T+3 (i.e. only 0.53% of all settlement transactions) settled on T+4, and 95% of

those remaining unsettled were settled on T+5, compared to an average of 79% and 91% respectively for the period July 2008 to March 2009.

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

A separate **ASX Markets Supervision Quarterly Activity Report** (September 2009 quarter) is also being released today.

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	Sep 2009	Sep 2008	Sep 2009 Financial YTD	Sep 2008 Financial YTD
Cash Markets				
Total Trading Days	22	22	66	66
Cash Market Volume				
Total Trades	12,321,956	10,960,045	33,520,479	30,334,202
Change on PCP	12%		11%	
Average Daily Trades	560,089	498,184	507,886	459,609
Change on PCP	12%		11%	
Cash Market Value (including Value of Crossed Trades)				
Total Value (\$billion)	131.435	135.108	356.265	370.620
Change on PCP	(3%)		(4%)	
Average Daily Value (\$billion)	5.974	6.141	5.398	5.615
Change on PCP	(3%)		(4%)	
Cash Market Behaviour Statistics				
Percentage of Turnover Crosses (%)	33%	27%	31%	27%
Off-Market Crossings Represent 21% and On-Market 12% of Turnover				
Non Billable Value (Above Cap) (\$billion)	5.281	5.667	14.801	11.290
Total Billable Value (\$billion)	126.154	129.441	341.463	359.331
Billable Value - Off-Market Crossings (%)	19%	12%	15%	12%
Billable Value - On-Market Crossings (%)	12%	13%	13%	13%
Note: Cash Market includes Equity, Warrant and Interest Rate Market Transactions				
Derivatives Markets				
Equity Derivatives Total Trading Days	22	22	66	66
Equity Derivatives Volume (excluding SPI 200)				
Total Contracts	1,911,061	1,889,033	5,160,672	5,023,381
Change on PCP	1%		3%	
Average Daily Contracts	86,866	85,865	78,192	76,112
Change on PCP	1%		3%	
Futures & Options Total Trading Days				
	22	22	66	66
Futures Volume (including SPI 200)				
Total Contracts	6,677,495	8,981,756	16,651,642	19,952,808
Change on PCP	(26%)		(17%)	
Average Daily Contracts	303,523	408,262	252,298	302,315
Change on PCP	(26%)		(17%)	
Options on Futures Volume				
Total Contracts	183,987	141,118	657,073	540,925
Change on PCP	30%		21%	
Average Daily Contracts	8,363	6,414	9,956	8,196
Change on PCP	30%		21%	
Total Futures & Options (Derivatives) Volume				
Total Contracts	6,861,482	9,122,874	17,308,715	20,493,733
Change on PCP	(25%)		(16%)	
Average Daily Contracts	311,886	414,676	262,253	310,511
Change on PCP	(25%)		(16%)	
CFD Market				
Total Trades	9,413	9,846	27,881	26,020
Notional Value Traded (\$million)	339.8	210.4	946.5	550.6
Total Open Interest Value as at 30 September (\$million)	95.9	59.5	95.9	59.5
Total Contracts	15,413,361	4,874,707	42,592,982	16,880,083
Listings and Capital Raisings				
New Listed Entities Admitted	6	6	12	25
Change on PCP	0%		(52%)	
Total Listed Entities (at End of Month)	2,171	2,234		
Change on PCP	(3%)			
Initial Capital Raised (\$million)	1,885	24	2,074	1,216
Secondary Capital Raised (\$million)	6,688	2,620	27,909	13,387
Total Capital Raised (\$million)	8,573	2,644	29,983	14,603
Other Capital Raised including Scrip for Scrip (\$million)	189	2,267	811	9,574
Margin Balances - at End of Month				
Cash Margins Held on Balance Sheet (\$billion)	2.3	4.0		
Cash Equivalents Held on Balance Sheet (\$billion)	0.4	0.7		
Collateral Cash Cover Held (Equities and Guarantees) (\$billion)	4.2	3.2		