



MARKET ANNOUNCEMENT

5 July 2010

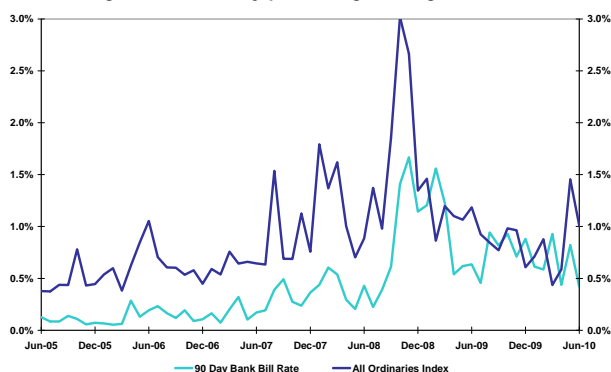
ASX Group Monthly Activity Report – June 2010

The value of ASX-listed stocks, as measured by the All Ordinaries Index, fell 2.9% in June 2010 consistent with falls in a number of major global markets including: the US (S&P 500 Index) down 5.4%, the UK down 5.2%, and Japan down 4.0%. In contrast, some Asian markets saw rising values during the month with Singapore up 3.0% and Hong Kong up 1.8%.

Over the course of FY10, the All Ordinaries rose 9.5% following a fall of 26.0% in the previous financial year. Market volatility was also lower in FY10 (0.8% average daily movements), almost half the level of FY09.

These improved market conditions helped underpin stronger secondary equity market trading and an increase in initial public offering (IPO) activity during FY10, following the difficulties associated with the global financial crisis in the previous year. Secondary capital raising activity remained robust in FY10, although well down on the record levels seen during FY09.

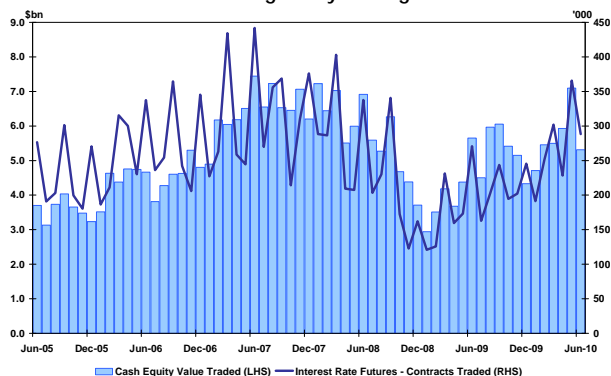
Australian Equity and Interest Rate Market Volatility
Average absolute daily percentage change in the month



Volatility in Australian equity markets retreated from its May spike this month (as measured by daily movements in the All Ordinaries Index) with average daily movements of 1.0% in June (1.5% in May). However, this still remains above the average level experienced over the course of FY10 (0.8%).

Volatility in US markets (S&P 500 Index) was also somewhat lower in June with average daily movements of 1.2% in the S&P 500 Index (1.6% in May). Expectations of future volatility (as measured by the CBOE Volatility Index) also rose towards the end of June.

ASX Cash Equity and Interest Rate Futures
Average daily trading



The value of daily cash market trading in June retreated from the high level experienced in May, with an average traded value of \$5.2 billion a day, compared to \$7.0 billion in the previous month.

Similarly, activity in interest rate futures contracts also declined from the pace experienced during May, with trading in the four main contracts (3 and 10 year bonds, 90 day bank bills, and the 30 day cash rate) reaching a daily average of around 288,000, lower than the previous roll month in March.

There was a continued boost in activity in Australia's primary capital raising market, with 8 IPOs during June of \$226 million in value, including \$148 million value of scheme/compliance listings for which no cash was raised. Secondary capital raisings remained robust, notwithstanding the decline in secondary raisings compared to the very high levels of a year ago.

Listings and capital raisings

- In June 2010 there were 8 new listings, compared to 1 in the previous corresponding period (pcp). Total listed entities at the end of June 2010 were 2,192, down 0.3% on the 2,198 a year ago.
- Total capital raised in June 2010 amounted to \$1.7 billion, down 83% on the very high level of \$10.1 billion pcp which was dominated by several jumbo raisings. There was \$0.2 billion of initial capital raised and \$1.5 billion in secondary raisings.
- Capital raisings in FY10 comprised initial raisings of \$11.5 billion, up 508% on FY09, and secondary raisings of \$65.1 billion, down 26% on FY09. Total capital raised in FY10 was \$76.5 billion, down 15% on the all-time record of \$90.0 billion raised in FY09.

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

The All Ordinaries Index closed at 4,324.8 points, a fall of 2.9% over the course of the month. The index has fallen 11.4% in the calendar year-to-date.

On 28 June 2010 ASX introduced new trade execution order type and matching functionality for cash equities. Undisclosed orders, Centre Point orders and Centre Point Crossing orders were made available. ASX also introduced VolumeMatch, a block trade execution matching service, with an initial 23 ASX Participants satisfying the certification and authorisation requirements to route orders to the new service.

- Total cash market trades for June 2010 were 11.8 million, up 15% on the pcp. Total trades for FY10 were 132.2 million up 24% on the pcp.
- Average daily trades for June 2010 of 562,459 were 15% higher than the pcp. Average daily trades for FY10 were 522,726 up 24% on the pcp.
- Total cash market traded value was \$109.4 billion in June 2010, down 6% on the pcp, with a daily average value of \$5.2 billion, also down 6% on the pcp. Total value traded for FY10 was \$1.4 trillion, up 20% on the pcp, corresponding to an average daily value of \$5.4 billion, up 21% on the pcp.
- In June 2010 the average value per trade was \$9,266, down 18% on the pcp of \$11,303. The percentage of traded value crossed was 28% (31% pcp).

Trading – Financial derivatives markets

Trading activity in the major ASX quoted interest rate futures contracts declined in June (an expiry month), following very strong activity during May associated with the high levels of volatility in debt and currency markets. Global markets were slightly less volatile in June but remained unsettled. Continued uncertainty about the outlook for global growth remains a key driver of prices in debt markets.

Overall trading levels were below the previous (March) expiry month. This outcome largely reflects reduced interest rate volatility at the short end of the curve (affecting 90 day bank bill futures), while volatility still remained at the longer end of the curve (3 year and 10 year bond futures) cushioning declines in the relevant contracts.

The price of credit default swaps (CDS) on European sovereign debt continued to rise and spreads in Australian bank CDS also widened. The iTraxx Australian 5 year CDS index rose from 116 basis points (bps) to 136 bps during June (up from 88 bps in May). Other measures of credit market pressure in the US, Europe and Australia also rose during June, with the spread between interbank lending rates and the overnight cash swap rates widening.

After rising early in June, 3 year and 10 year bond yields retreated as concerns about the slowing global economy took hold, taking longer yields to levels last seen in mid-2009.

The Reserve Bank of Australia (RBA) left the cash rate unchanged at 4.50% in early June, partly in response to concerns about the uncertain path of global economic growth.

Trading activity in the 30 day cash rate futures contract fell in June as the yield curve flattened further during the month and volatility declined. The cash rate futures yield curve is now not pricing any further policy changes until mid-2011.

- Equity derivatives volume (excluding ASX SPI 200) for June 2010 was 2.0 million contracts, up 20% on the pcp, with a daily average of 94,389 contracts, also up 20% on pcp. Total volumes for FY10 were 21.7 million contracts corresponding to an average daily volume of 85,590 contracts, both up 14% on the pcp.
- Total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for June 2010 was 7.9 million, up 9% on the pcp, with a notional value of \$2.6 trillion. Average daily contracts volume during June of 360,501 was also up 9% on the pcp, with options traded up 16% on pcp. Total volumes for FY10 were 76.1 million contracts corresponding to an average daily volume of 297,253 contracts, both up 19% on the pcp.
- A total of 10,669 ASX CFD trades were transacted in June 2010, comprising a volume of 11.0 million contracts. The total notional value of all CFD trades for June was \$276.8 million, up 26% on the pcp, while the value of CFD open interest at the end of June was \$118.6 million, an increase of 83% on the pcp. Total ASX CFD trades in FY10 were 124,172, up 45% on FY09, comprising 152.9 million contracts, up 69%, and with a notional value of \$3.6 billion, up 83%.

Trading – Energy and agricultural derivatives markets

- A total of 14,923 electricity futures and options contracts were traded in June 2010, which is a 27% increase on the pcp. Record month-end futures and options open interest of 65,536 contracts is a 24% increase on the pcp and a 12% increase on the previous record of 58,460 set in May 2010.
- The ASX grain futures and options market continued to experience strong activity levels with 23,527 contracts (470,540 tonnes) traded during the month, a record for June representing 44% growth on the pcp. The total volume traded for FY10 was 387,865 contracts (7,757,300 tonnes), a record year representing 94% growth on FY09.
- The Western Australia Wheat contract traded a total of 4,637 contracts (92,740 tonnes) in June and has traded 116,405 contracts (2,328,100 tonnes) since inception in September 2009.

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 \$3.4 billion over June 2010 (including excess cash collateral but excluding equity securities lodged in excess of the margin requirement), with cash margins lodged averaging \$2.7 billion.
- Intra-day margin call activity decreased in June to \$32 million compared to \$225 million in the prior month.

Settlement

There were no delays to the completion of batch settlement in the equities market during June 2010 and fixed income settlement through Austraclear was conducted normally.

The levels of total debt holdings in Austraclear rose over the course of June by \$7.3 billion to \$1.2 trillion, with the largest increases being in Treasury bonds (up \$3.7 billion), corporate bonds (up \$2.2 billion) and semi-Government securities (up \$1.3 billion). Holdings of Government guaranteed certificates of deposit (GCD) decreased by \$200 million and electronic promissory notes decreased by \$790 million. All other holdings increased by \$1 billion. The amount of GCD on issue represents approximately 0.7% of the total electronic certificates of deposit on issue as at 30 June 2010, compared

to 0.81% at the end of May 2010 and a peak of approximately 6.3% as at the end of February 2009. The longest dated GCD holding in Austraclear matures in February 2011.

Equity settlement delivery fail rates again averaged less than 1% per day during June 2010.

A detailed activity statement for ASX Group markets for June 2010 is attached.

A separate **ASX Markets Supervision Quarterly Activity Report** (June 2010 quarter) is also being released today.

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	Jun 2010	Jun 2009	Jun 2010 Financial YTD	Jun 2009 Financial YTD
Cash Markets				
Total Trading Days	21	21	253	254
Cash Market Volume				
Total Trades	11,811,645	10,291,002	132,249,610	106,680,451
Change on PCP	15%		24%	
Average Daily Trades	562,459	490,048	522,726	420,002
Change on PCP	15%		24%	
Cash Market Value (including Value of Crossed Trades)				
Total Value (\$billion)	109.446	116.318	1,359.304	1,129.460
Change on PCP	(6%)		20%	
Average Daily Value (\$billion)	5.212	5.539	5.373	4.447
	(6%)		21%	
Cash Market Behaviour Statistics				
Turnover Crossed (%)	28%	31%	29%	26%
Off-Market Crossings Represent 15% and On-Market 13% of Turnover				
Non Billable Value (Above Cap) (\$billion)	7.023	4.329	56.535	36.235
Total Billable Value (\$billion)	102.423	111.989	1,302.769	1,093.226
Billable Value - Off-Market Crossings (%)	13%	17%	14%	12%
Billable Value - On-Market Crossings (%)	13%	11%	13%	13%
Note: Cash Market includes Equity, Warrant and Interest Rate Market Transactions				
Derivatives Markets				
Equity Derivatives Total Trading Days	21	21	253	254
Equity Derivatives Volume (excluding SPI 200)				
Total Contracts	1,982,165	1,648,615	21,654,341	19,004,552
Change on PCP	20%		14%	
Average Daily Contracts	94,389	78,505	85,590	74,821
Change on PCP	20%		14%	
Futures & Options Total Trading Days	22	22	256	256
Futures Volume (including SPI 200)				
Total Contracts	7,710,445	7,107,677	73,229,726	62,263,294
Change on PCP	8%		18%	
Average Daily Contracts	350,475	323,076	286,054	243,216
Change on PCP	8%		18%	
Options on Futures Volume				
Total Contracts	220,578	190,922	2,867,032	1,802,484
Change on PCP	16%		59%	
Average Daily Contracts	10,026	8,678	11,199	7,041
Change on PCP	16%		59%	
Total Futures & Options (Derivatives) Volume				
Total Contracts	7,931,023	7,298,599	76,096,758	64,065,778
Change on PCP	9%		19%	
Average Daily Contracts	360,501	331,755	297,253	250,257
Change on PCP	9%		19%	
CFD Market				
Total Trades	10,669	6,730	124,172	85,883
Notional Value Traded (\$million)	276.8	219.9	3,615.6	1,974.0
Total Open Interest Value as at 30 June (\$million)	118.6	64.7	118.6	64.7
Total Contracts	10,957,124	12,621,363	152,948,095	90,329,644
Listings and Capital Raisings				
New Listed Entities Admitted	8	1	93	45
Change on PCP	700%		107%	
Total Listed Entities (at End of Month)	2,192	2,198		
Change on PCP	-			
Initial Capital Raised (\$million)	226	77	11,460	1,885
Secondary Capital Raised (\$million)	1,487	10,095	65,087	88,079
Total Capital Raised (\$million)	1,713	10,173	76,547	89,964
Other Capital Raised including Scrip for Scrip (\$million)	242	97	4,469	32,561
Margin Balances - at End of Month				
Cash Margins Held on Balance Sheet (\$billion)	2.4	2.7		
Cash Equivalents Held on Balance Sheet (\$billion)	0.5	0.8		
Collateral Cash Cover Held (Equities and Guarantees) (\$billion)	3.9	3.5		