



# MARKET ANNOUNCEMENT

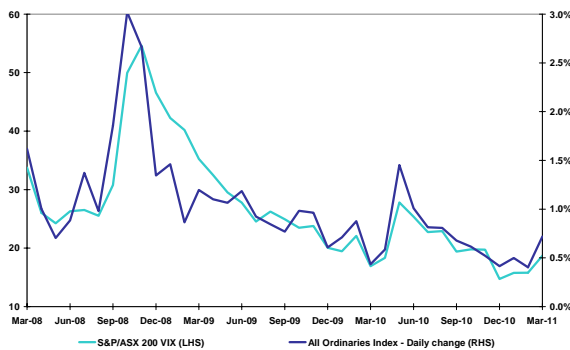
6 April 2011

## ASX Group Monthly Activity Report – March 2011

The value of ASX-listed stocks, as measured by the All Ordinaries Index, rose 0.1% in March. Some other regional markets also rose during the month including Singapore up 3.2% and Hong Kong up 0.8%. This was in spite of the sharp fall in Japan (down 8.2%) in the aftermath of the earthquake and tsunami. There were smaller falls in other major markets with the UK down 1.4% and the US down 0.1%.

Secondary trading activity in cash equities and interest rate derivatives spiked during March as the impact of the tragic events in Japan and the instability in Libya impacted on global markets. Mid-March saw some record and near-record daily trading activity in a range of ASX products as the full scale of the natural disaster in Japan created uncertainty about the prospects for global growth.

**Australian Equity Market Volatility**  
Monthly average

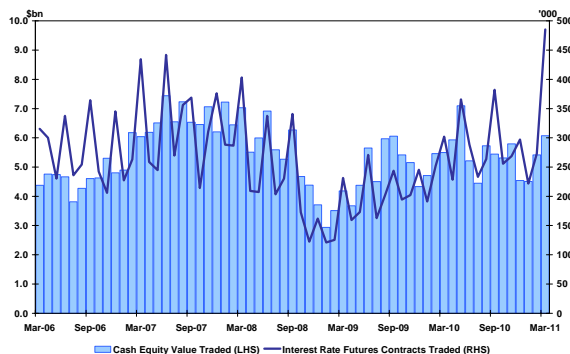


Volatility in the Australian equity market increased sharply in mid-March before abating later in the month:

- Current volatility (as measured by the average daily movement in the All Ordinaries Index) was 0.7% in March (0.4% in February).
- Expected future volatility (as measured by the S&P/ASX 200 VIX) rose on average in March to 18.7 compared to 15.8 in February, having peaked around the middle of the month at 24.8.

Volatility in US markets (S&P 500 Index) increased marginally in March with average daily movements of 0.8% (0.6% in February). Expectations of future volatility in the US rose during March but remained low.

**ASX Cash Equity and Interest Rate Futures**  
Average daily trading



The value of daily cash market trading in March was up on the previous month, with an average traded value of \$6.0 billion a day. This is the highest daily average for any month in FY11.

Activity in interest rate futures contracts spiked sharply higher, with trading during the March expiry month 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 485,235 contracts traded. This was an all-time record surpassing the 442,000 in June 2007.

## AUSTRALIAN SECURITIES EXCHANGE

### Listings and capital raisings

- In March 2011 there were 7 new listings, 40% higher than the 5 in the previous corresponding period (pcp).
- Total listed entities at the end of March 2011 were 2,234, up 3% on the 2,178 a year ago.
- There was \$231 million of initial capital raised in March 2011, compared to \$578 million in the pcp. There was also \$4.5 billion of other capital raised including scrip-for-scrip in March 2011.
- Secondary capital raisings in March 2011 remained robust, with \$3.5 billion raised, compared to \$2.5 billion in the pcp.
- Total capital raised in March 2011 amounted to \$3.7 billion, up 20% on the \$3.1 billion raised in the pcp.
- For the financial year-to-date, total capital raised is down 29%, with capital raised from IPOs \$23.1 billion and from secondary raisings \$23.8 billion.

Listings and Capital Raisings	Mar 2011 Month	Mar 2010 Month	Mar 2011 Financial YTD	Mar 2010 Financial YTD
New listed entities admitted	7	5	120	71
Change on pcp	40%		69%	
Total listed entities (at end of month)	2,234	2,178		
Change on pcp	3%			
Initial capital raised (\$million)	231	578	23,149	8,353
Secondary capital raised (\$million)	3,518	2,549	23,803	57,930
Total capital raised (\$million)	3,749	3,127	46,952	66,284
Change on pcp	20%		(29%)	
Other capital raised including scrip-for-scrip (\$million)	4,536	284	20,445	3,705

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

The All Ordinaries Index closed at the end of March at 4928.6 points, a rise of 0.1% over the course of the month. The index has risen 1.7% in the calendar year-to-date.

- Total cash market trades for March 2011 were 15.2 million, up 34% on the pcp.
- Average daily trades for March 2011 of 662,407 were also 34% higher than the pcp.
- Total cash market traded value was \$137.9 billion in March 2011, up 9% on the pcp, with a daily average value of \$6.0 billion, also up 9% on the pcp.
- In March 2011 the average value per trade was \$9,050, down 19% on the pcp of \$11,105. The percentage of traded value crossed decreased to 27% (30% pcp).

Cash Markets	Mar 2011 Month	Mar 2010 Month	Mar 2011 Financial YTD	Mar 2010 Financial YTD
Total trading days	23	23	192	192
Cash market volume				
Total trades	15,235,351	11,384,142	106,675,225	96,931,971
Change on pcp	34%		10%	
Average daily trades	662,407	494,963	555,600	504,854
Change on pcp	34%		10%	
Cash market value (including value of crossed trades)				
Total value (\$billion)	137.886	126.420	1,007.206	991.255
Change on pcp	9%		2%	
Average daily value (\$billion)	5.995	5.497	5.246	5.163
Change on pcp	9%		2%	
Cash market behaviour statistics				
Turnover crossed (%)	27%	30%	28%	29%
Off-market turnover crossed (%)	14%	16%	15%	16%
On-market turnover crossed (%)	13%	14%	13%	13%
Total value crossed (\$billion)	37.279	37.744	282.299	285.345
Non billable value (above cap) (\$billion)	4.225	5.875	29.860	34.939
Total billable value (\$billion)	133.661	120.545	977.346	956.316
Billable value – off-market crossings (%)	12%	15%	13%	14%
Billable value – on-market crossings (%)	13%	14%	13%	13%
Cash market includes equity, warrant and interest rate market transactions				

### Trading – Financial derivatives markets

- Strong activity was seen across all benchmark futures contracts. Record monthly volumes were experienced in the 3 year bond futures, 3 year intra-day and overnight options, NZ 90 day bank bill futures, and SPI futures. Overall monthly trading volumes for the ASX 24 market (excluding CFDs) were also a new record.
- Trading activity was largely driven by heightened market volatility following the Japanese natural disaster as well as the roll activity in the lead up to the quarterly benchmark futures expiries.
- While the RBA, as expected, left the cash rate unchanged at its March meeting, market expectations of a further tightening of monetary policy by mid-next year were sharply reversed following concerns about the impact of the Japanese earthquake (and its aftermath) on global economic growth. At the height of these concerns the market priced in the potential for the RBA to cut rates at its April meeting. However, as these concerns lessened somewhat expectations of a rate cut also retreated.
- Activity in NZ interest rate futures was influenced by the Christchurch earthquake and the response of the Reserve Bank of New Zealand to cut the official cash rate on 10 March by 50bp (moving from 3.0% to 2.5%) following an assessment of its potential impact on the NZ economy.
- Equity derivatives volume (excluding the ASX SPI 200) for March 2011 was 2.4 million contracts, up 15% on the pcp, with a daily average of 102,365 contracts, also up 15% on pcp.

- Total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for March 2011 was a record 12.3 million, up 45% on the pcp, with a notional value of \$5.1 trillion. Average daily contracts volume during March 2011 of 532,861 was also up 45% on the pcp.
- A total of 9,778 ASX CFD trades were transacted in March 2011, comprising a volume of 17.0 million contracts. The total notional value of all CFD trades for March 2011 was \$343.4 million, an increase of 35% on the pcp, while the value of CFD open interest at the end of March 2011 was \$68.6 million, a decrease of 28% on the pcp.

Derivatives Markets	Mar 2011 Month	Mar 2010 Month	Mar 2011 Financial YTD	Mar 2010 Financial YTD
Derivatives total trading days (Derivatives includes exchange traded options, commodities, and index options and futures)	23	23	192	192
Derivatives volume				
Total contracts	2,354,400	2,048,678	16,416,574	15,470,217
Change on pcp	15%		6%	
Average daily contracts	102,365	89,073	85,503	80,574
Change on pcp	15%		6%	
Futures and options total trading days (Futures and options includes interest rate, ASX SPI 200 and energy contracts)	23	23	193	193
Futures volume	11,569,772	8,188,122	65,578,750	51,430,070
Change on pcp	41%		28%	
Average daily contracts	503,034	356,005	339,786	266,477
Change on pcp	41%		28%	
Options on futures volume				
Total contracts	686,034	263,801	3,326,226	2,058,561
Change on pcp	160%		62%	
Average daily contracts	29,828	11,470	17,234	10,666
Change on pcp	160%		62%	
Total futures and options on futures volume				
Total contracts	12,255,806	8,451,923	68,904,976	53,488,631
Change on pcp	45%		29%	
Average daily contracts	532,861	367,475	357,021	277,143
Change on pcp	45%		29%	
Contracts for difference market				
Total trades	9,778	8,921	75,125	92,103
Total contracts traded	16,966,871	12,225,954	132,606,283	116,218,765
Notional value traded (\$million)	343.4	254.0	2,792.4	2,703.8
Total open interest value (at end of month) (\$million)	68.6	95.0		

## Trading – Energy and agricultural derivatives markets

- A total of 24,634 Australian electricity futures and options contracts were traded in March 2011, an increase of 99% on the pcp. Total open interest was 47,052 contracts at the end of March 2011.
- The ASX grain futures and options market traded 25,069 contracts (501,380 tonnes) during the month, down 37% on the pcp. Open interest at the end of March 2011 of 78,527 futures contracts represents 1.57 million tonnes of Australian grain and oilseed. The March 2011 delivery period processed 6,111 contract deliveries (122,220 tonnes).

## ASX CLEARING CORPORATION

### Clearing

All on-market trades (equities and derivatives markets) are novated by ASX's two central counterparty clearing subsidiaries, ASX Clear and ASX Clear (Futures), 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 \$2.8 billion during March 2011 (including excess cash collateral but excluding equity securities lodged in excess of the margin requirement), with cash margins lodged averaging \$2.2 billion.
- There were 26 intraday margin calls in March 2011 totalling \$75.8 million compared to four intra-day margin calls in February 2011 of \$1.1m.

ASX Clearing Corporation	Mar 2011 Month	Mar 2010 Month	Mar 2011 Financial YTD	Mar 2010 Financial YTD
<b>Collateral Balances – At End of Month</b>				
Cash margins held on-balance sheet:				
- ASX Clear (\$billion)	0.2	0.3		
- ASX Clear (Futures) (\$billion)	2.0	1.6		
Cash equivalents held on-balance sheet – ASX Clear (Futures) (\$billion)	0.2	0.2		
Collateral cash cover held off-balance sheet (equities and guarantees) – ASX Clear (\$billion)	4.5	4.3		
Total billable value cleared (\$billion)	109.278	100.128	785.925	790.187

## ASX SETTLEMENT CORPORATION

### ASX Settlement

There were no delays to the completion of batch settlement in the equities market during March 2011.

- Total equity settlement delivery fail rates averaged 0.7% per day during March 2011.

ASX Settlement Corporation	Mar 2011 Month	Mar 2010 Month	Mar 2011 Financial YTD	Mar 2010 Financial YTD
ASX Settlement				
Gross value of novated settlements (\$billion)	99.2	93.1	723.2	715.4
Net value of novated settlements (\$billion)	41.5	38.6	302.3	302.6
Gross value of non-novated settlements (\$billion)	170.6	165.9	1,216.1	1,279.6
Total value of settlements post netting (\$billion)	212.1	204.5	1,518.4	1,582.2
Value of Chess holdings – period end (\$billion)	1,264.4	1,216.6		

### Austraclear Settlement

There were no disruptions to the Austraclear settlement sessions during March 2011.

- The levels of total debt holdings in Austraclear increased over the course of March by \$6.04 billion to \$1.22 trillion. Treasury Bonds holdings increased by \$4.8 billion, Electronic Certificates of Deposit holdings by \$4.2 billion, and Semi-Government Securities by \$3.9 billion, whilst holdings of Electronic Promissory Notes decreased by \$2.4 billion, Floating Rate Notes by \$1.6 billion, Treasury Notes by \$1.6 billion and Electronic Bank Accepted Bills by \$1.3 billion. All other holdings increased by \$63.4 million.

Austraclear Settlement and Depository	Mar 2011 Month	Mar 2010 Month
Austraclear securities holdings – period end (\$billion)	1,219.7	1,137.2

A separate **ASX Compliance** activity report for March 2011 has also been released today.

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