



ASX

AUSTRALIAN SECURITIES EXCHANGE

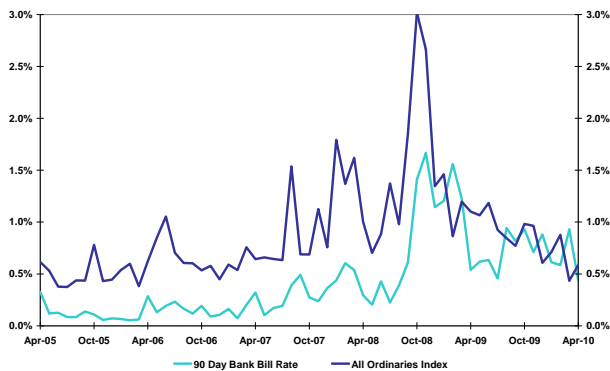
# MARKET ANNOUNCEMENT

5 May 2010

## ASX Group Monthly Activity Report – April 2010

The value of ASX-listed stocks, as measured by the All Ordinaries Index, fell 1.2% in April in line with modest falls in a number of other markets including: the UK down 2.2%, Hong Kong down 0.6%, Germany down 0.3%, and Japan down 0.3%. In contrast, Singapore rose 3.0% and the US rose 1.5%.

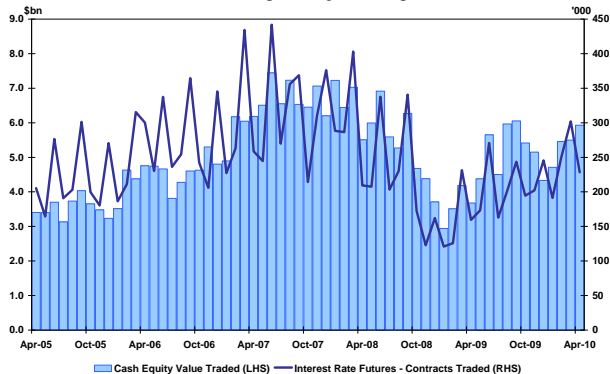
### Australian Equity and Interest Rate Market Volatility Average absolute daily percentage change in the month



Volatility rose slightly in April in Australian equity markets (as measured by daily movements in the All Ordinaries Index) with average daily movements of 0.6% (0.4% in March). Concerns about sovereign debt levels in Europe contributed to heightened uncertainty in global markets.

Volatility in US markets (S&P 500 Index) was also higher in April with average daily movements of 0.7% in the S&P 500 Index. Expectations of future volatility (as measured by the CBOE Volatility Index) also rose over the course of April, although levels remain at the low end of recent history.

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



The value of daily cash market trading rose in April, with the average traded value rising to \$5.9 billion a day, well above the levels experienced a year ago.

Similarly, activity in interest rate futures contracts remains robust, with trading in the four main contracts (3 and 10 year bonds, 90 day bank bills, and the 30 day cash rate) also tracking significantly above the levels of a year ago, although still well below the peak levels experienced before the onset of the global financial crisis.

There was a continued boost in activity in Australia's primary capital raising market, with 7 initial public offerings (IPOs) during April of \$2.4 billion in value, including \$2.3 billion 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 April 2010 there were 7 new listings, compared to 1 in the previous corresponding period (pcp). Total listed entities at the end of April 2010 were 2,181, down 1% on the 2,208 a year ago.
- Total capital raised in April 2010 amounted to \$6 billion, down 16% on the pcp which was dominated by several jumbo raisings. There was \$2.4 billion of initial capital raised and \$3.6 billion in secondary raisings. For the financial year-to-date, total capital raised is up 6%, with capital raised from IPOs \$10.8 billion and secondary raisings \$61.5 billion.

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

The All Ordinaries Index closed at 4,833.9 points, a fall of 1.2% over the course of the month. The index has fallen 1.0% in the calendar year-to-date, but is 55.3% higher than its low in early March 2009.

- Total cash market trades for April 2010 were 9.6 million, up 20% on the pcp.
- Average daily trades for April 2010 of 507,452 were 26% higher than the pcp.
- Total cash market traded value was \$111 billion in April 2010, up 54% on the pcp, with a daily average value of \$5.9 billion, up 62% on the pcp.
- In April 2010 the average value per trade increased to \$11,540, up 28% on the pcp of \$8,991. The percentage of traded value crossed was 28% (24% pcp).

## Trading – Financial derivatives markets

Trading activity in the major interest rate futures contracts continued to trend upwards in April 2010. Domestic economic data was somewhat mixed during April, and the credit downgrading of some smaller European countries on the back of ongoing concerns about sovereign debt levels contributed to volatility in global debt markets.

The 30 day cash rate futures contract, in particular, continued its recent strong growth with contracts traded more than doubling the level of a year ago. There was also very active trading in both the 3 year bond intra-day and overnight options contracts, with monthly volumes approaching record levels. This was likely driven by portfolio hedging and speculative position-taking in response to the uncertainty in offshore and domestic markets arising from the geo-political events in Europe. A total of 78,391 intra-day options contracts and 152,290 overnight options contracts were traded in April.

The Reserve Bank of Australia (RBA) announced a 25 basis point increase in the cash rate, to 4.25%, in early April 2010. The overnight cash rate futures contract yield curve shifted marginally during the month, indicating that the market continues to price in further policy tightening of around 125 basis points over the next 18 months. Short and long-term bond yields declined and the yield curve flattened further during April.

- Equity derivatives volume (excluding ASX SPI 200) for April 2010 was 1.8 million contracts, up 37% on the pcp, with a daily average of 95,260 contracts, up 45% on pcp.
- Total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for April 2010 was 5.5 million, up 36% on the pcp, with a notional value of \$3 trillion. Average daily contracts volume during April of 274,338 was also up 36% on the pcp, with options traded up 57% on pcp and 68% on a year-to-date basis.
- ASX SPI 200 Index futures contract volume traded in April 2010 was 0.5 million, down 6% on the pcp.
- A total of 7,075 ASX CFD trades were transacted in April 2010, comprising a volume of 10 million contracts. The total notional value of all CFD trades for April was \$236 million, up 43% on the pcp, while the value of CFD open interest at the end of April was \$118 million, an increase of 110% on the pcp.

## Trading – Commodity derivatives markets

A total of 16,165 electricity futures and options contracts traded in April 2010 (a 192% increase on the pcp), which equated to approximately 238% of underlying National Electricity Market (NEM) system demand. Further to the Government's announcement on 27 April 2010 to delay the CPRS until after 2012, there were sharp price declines and substantial volume traded across all State contracts, mostly impacting on calendar 2012 prices.

The ASX grain futures and options market continued to experience strong activity levels with 26,505 contracts traded during the month. The new Western Australia Wheat contract, listed in September 2009, traded a total of 9,559 contracts in April.

## 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 \$3.2 billion over April 2010 (including excess cash collateral but excluding equity securities lodged in excess of the margin requirement), with cash margins lodged averaging \$2.4 billion.
- Intra-day margin call activity increased slightly in April (\$12.2 million called) whereas there were no margin calls made in March.

## Settlement

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

The levels of total debt holdings in Austraclear rose during April by \$9.8 billion to \$1.147 trillion, with the largest rises being in Corporate Bonds (+\$5.9 billion), Semi-Government Securities (+\$5.2 billion), Treasury Bills (+\$4.8 billion), and Electronic Bank Accepted Bills (+\$4.2 billion, reversing a decline of a similar amount in the previous month). Holdings of Electronic Certificates of Deposit (ECD) decreased by \$6.6 billion, Government Guaranteed Certificates of Deposit (GCD) decreased by \$2.1 billion, and Electronic Promissory Notes decreased by \$1.3 billion. All other holdings decreased by \$0.3 billion. The amount of GCD on issue represents approximately 1.13% of the total ECD on issue as at 30 April 2010 compared to 2.18% at the end of March 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 continue to average well below 1% daily, which is low by global standards for developed equity settlement systems.

## 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 April.

- In April 2010, there were:
  - 9,135 company announcements processed, down 10% on pcp;
  - 46 price queries issued to listed entities, in line with the previous month; and
  - 105 trading halts granted, down 26% on pcp.

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

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	Apr 2010	Apr 2009	Apr 2010 Financial YTD	Apr 2009 Financial YTD
<b>Cash Markets</b>				
Total Trading Days	19	20	211	212
<b>Cash Market Volume</b>				
Total Trades	9,641,581	8,052,403	106,573,552	87,216,375
Change on PCP	20%		22%	
Average Daily Trades	507,452	402,620	505,088	411,398
Change on PCP	26%		23%	
<b>Cash Market Value (including Value of Crossed Trades)</b>				
Total Value (\$billion)	111.260	72.397	1,102.511	922.837
Change on PCP	54%		19%	
Average Daily Value (\$billion)	5.856	3.620	5.225	4.353
	62%		20%	
<b>Cash Market Behaviour Statistics</b>				
Turnover Crossed (%)	28%	24%	29%	26%
Off-Market Crossings Represent 14% and On-Market 14% of Turnover				
Non Billable Value (Above Cap) (\$billion)	6.064	1.253	41.000	29.269
Total Billable Value (\$billion)	105.196	71.145	1,061.512	893.568
Billable Value - Off-Market Crossings (%)	12%	8%	13%	11%
Billable Value - On-Market Crossings (%)	15%	14%	13%	13%
Note: Cash Market includes Equity, Warrant and Interest Rate Market Transactions				
<b>Derivatives Markets</b>				
Equity Derivatives Total Trading Days	19	20	211	212
<b>Equity Derivatives Volume (excluding SPI 200)</b>				
Total Contracts	1,809,933	1,317,761	17,280,150	15,880,261
Change on PCP	37%		9%	
Average Daily Contracts	95,260	65,888	81,896	74,907
Change on PCP	45%		9%	
Futures & Options Total Trading Days	20	20	213	213
<b>Futures Volume (including SPI 200)</b>				
Total Contracts	5,222,834	3,858,518	56,653,235	50,811,952
Change on PCP	35%		11%	
Average Daily Contracts	261,142	192,926	265,978	238,554
Change on PCP	35%		11%	
<b>Options on Futures Volume</b>				
Total Contracts	263,928	168,264	2,322,489	1,383,809
Change on PCP	57%		68%	
Average Daily Contracts	13,196	8,413	10,904	6,497
Change on PCP	57%		68%	
<b>Total Futures &amp; Options (Derivatives) Volume</b>				
Total Contracts	5,486,762	4,026,782	58,975,724	52,195,761
Change on PCP	36%		13%	
Average Daily Contracts	274,338	201,339	276,881	245,051
Change on PCP	36%		13%	
<b>CFD Market</b>				
Total Trades	7,075	7,590	99,178	71,099
Notional Value Traded (\$million)	236.0	164.9	2,939.8	1,585.8
Total Open Interest Value as at 30 April (\$million)	118.0	56.3	118.0	56.3
Total Contracts	9,963,498	11,081,064	126,182,263	64,278,464
<b>Listings and Capital Raisings</b>				
New Listed Entities Admitted	7	1	78	43
Change on PCP	600%		81%	
Total Listed Entities (at End of Month)	2,181	2,208		
Change on PCP	(1%)			
Initial Capital Raised (\$million)	2,455	202	10,809	1,808
Secondary Capital Raised (\$million)	3,556	6,929	61,486	66,643
Total Capital Raised (\$million)	6,011	7,131	72,295	68,451
Other Capital Raised including Scrip for Scrip (\$million)	162	107	3,867	31,727
<b>Margin Balances - at End of Month</b>				
Cash Margins Held on Balance Sheet (\$billion)	2.3	4.8		
Cash Equivalents Held on Balance Sheet (\$billion)	0.2	0.6		
Collateral Cash Cover Held (Equities and Guarantees) (\$billion)	4.3	3.2		