



MEDIA RELEASE

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'ASX Options Ready' Program Launched

The Australian Securities Exchange (ASX) has launched *ASX Options Ready*, an education program specifically designed for funds managers interested in trading equity options listed on ASX.

ASX became the first exchange outside of North America to establish a listed equity options market in 1976. Today, ASX lists equity options over the most liquid and highly capitalised Australian companies.

In the year ended 30 June 2011, the volume traded for all ASX exchange-traded options (ETOs), including equity options, increased 6.9% compared to the previous year.

In March and May 2011 ASX made two significant changes to the equity options market:

- reducing the contract size from 1,000 to 100 shares per contract; and
- increasing the quoting requirements for market makers.

David Stocken, ASX Senior Manager Institutional Sales, said: "ASX introduced the changes to improve the quality of the ETO market. Reducing the contract size brings ASX into line with global standards, delivers more liquidity and attracts new market entrants. Increasing the quoting requirements for market makers enhances price discovery."

The recent period of dramatic market volatility provided a timely reminder of the potential benefits equity options can provide as risk management tools in a flat or downward trending market.

ASX Options Ready will be delivered in two different streams:

- *ASX Options Ready for super funds* focuses on the portfolio optimisation benefits that options can deliver via mechanisms such as the buy-write and the collar strategies. It also includes an overview on how the ASX equity options market functions.
- *ASX Options Ready for managed funds* reviews popular trading strategies and provides detail on the mechanics of dealing into the ASX equity options market. It also includes worked portfolio margining examples and explains how Tailor Made Combinations work.

For further information on *ASX Options Ready* visit: www.asx.com.au/instooptions.

Media

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