



# MARKET ANNOUNCEMENT

4 November 2011

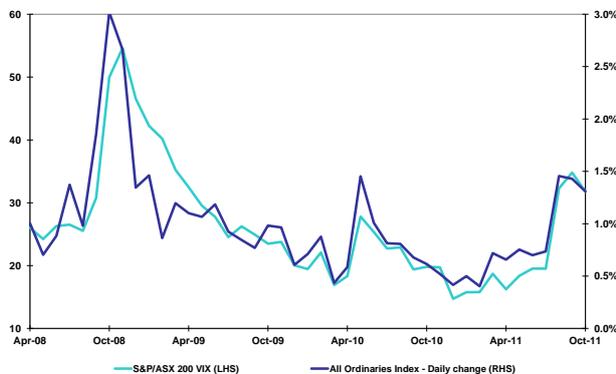
## ASX Group Monthly Activity Report – October 2011

The value of ASX-listed stocks, as measured by the All Ordinaries Index, rebounded sharply during October 2011 to rise 7.1%, following a decline of 6.9% in September. This performance was in line with rises in other major markets including: the US up 10.8%, Hong Kong up 12.9%, the UK up 8.1%, Singapore up 6.8%, and Japan up 3.3%.

The movements in global markets continued to be driven by fluctuating views on the economic outlook for Europe and the stability of the European banking system. Volatility remained above average historical levels as investors reacted to changing perceptions of the ability of policy makers to address the underlying debt concerns.

Trading activity on ASX equity and derivative markets declined in October compared to September.

**Australian Equity Market Volatility**  
Monthly average

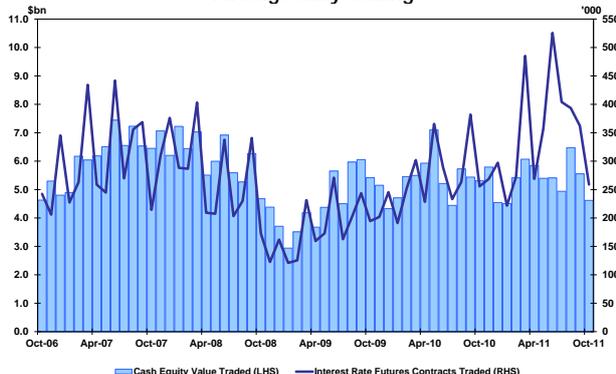


Measures of volatility in the Australian equity market remained above historical averages during October:

- Current volatility (as measured by the average daily movement in the All Ordinaries Index) was 1.3% in October, down marginally on the previous month (1.4%).
- Expected future volatility (as measured by the S&P/ASX 200 VIX) fell on average in October to 31.8 (compared to 34.8 in September).

Volatility in US markets (S&P 500 Index) remained high in October, with average daily movements of 1.6% (1.6% in September). Expectations of future volatility in the US also remained elevated during October.

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



The value of daily cash market trading in October reduced compared to September, with an average traded value of \$4.7 billion a day (\$5.4 billion in September).

Activity in interest rate futures contracts remained healthy but lower than recent months, with trading during October in the four main contracts (3 and 10 year bonds, 90 day bank bills, and the 30 day cash rate) of 258,952 contracts traded on average each day.

## AUSTRALIAN SECURITIES EXCHANGE

### Listings and capital raisings

- In October 2011 there were 7 new listings, down 46% on the 13 in the previous corresponding period (pcp).
- Total listed entities at the end of October 2011 were 2,227, up 2% on the 2,192 of a year ago.
- There was \$111 million of initial capital raised in October 2011, compared to \$58 million in the pcp.
- Secondary capital raised in October 2011 totalled \$3.8 billion compared to \$2.8 billion in the pcp. There was also \$290 million of other capital raised, including scrip-for-scrip, in October 2011.
- Total capital raised in October 2011 amounted to \$3.9 billion, up 36% on the \$2.9 billion raised in the pcp.

Listings and Capital Raisings	Oct 2011 Month	Oct 2010 Month	Oct 2011 Financial YTD	Oct 2010 Financial YTD
New listed entities admitted	7	13	37	39
Change on pcp	-46%		-5%	
Total listed entities (at end of month)	2,227	2,192		
Change on pcp	2%			
Initial capital raised (\$million)	111	58	2,096	3,460
Secondary capital raised (\$million)	3,821	2,829	9,748	10,003
Total capital raised (\$million)	3,932	2,887	11,844	13,463
Change on pcp	36%		-12%	
Other capital raised including scrip-for-scrip (\$million)	290	712	2,059	10,926

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

The All Ordinaries Index closed at 4,360.5 points at the end of October, a rise of 7.1% over the course of the month. The index has fallen 10.0% in the calendar year and is 7.9% lower than a year ago. Total cash market trades for October 2011 were 13.6 million, up 12% on the pcp.

- Average daily trades for October 2011 of 647,814 were also 12% higher than the pcp.
- Total cash market traded value was \$99.5 billion in October 2011, down 11% on the pcp. The average daily value traded of \$4.7 billion in October 2011 was also down 11% on the pcp.
- In October 2011 the average value per trade was \$7,310, down 21% on the pcp of \$9,207. The percentage of traded value crossed was 23% (27% pcp).

The cash market was halted from 10.05am until 2.00pm on 27 October due to an internal network connectivity issue with ASX Trade.

Cash Markets	Oct 2011 Month	Oct 2010 Month	Oct 2011 Financial YTD	Oct 2010 Financial YTD
Total trading days	21	21	87	87
Cash market volume				
Total trades	13,604,099	12,113,086	61,522,608	46,606,597
Change on pcp	12%		32%	
Average daily trades	647,814	576,814	707,156	535,708
Change on pcp	12%		32%	
Cash market value (including value of crossed trades)				
Total value (\$billion)	99.452	111.528	467.595	454.579
Change on pcp	-11%		3%	
Average daily value (\$billion)	4.736	5.311	5.375	5.225
Change on pcp	-11%		3%	
Cash market behaviour statistics				
Turnover crossed (%)	23%	27%	24%	28%
Off-market turnover crossed (%)	9%	13%	11%	15%
On-market turnover crossed (%)	14%	14%	13%	13%
Total value crossed (\$billion)	23.222	30.214	112.394	129.021
Non billable value (above cap) (\$billion)	2.527	2.988	10.087	11.666
Total billable value (\$billion)	96.925	108.540	457.508	442.913
Billable value – off-market crossings (%)	9%	14%	11%	14%
Billable value – on-market crossings (%)	13%	12%	12%	13%
Cash market includes equity, warrant and interest rate market transactions				

## Trading – Financial derivatives markets

- There was an easing of trading activity from the levels of recent months in most of the benchmark ASX 24 interest rate contracts during October, as hopes grew of an agreed solution to the Greek debt crisis. The RBA left the official cash rate unchanged at its October meeting, but market expectations of a cut in the official cash rate in November rose after the softer than expected CPI data. (The RBA subsequently lowered the cash rate by 25 basis points, effective 2 November.)
- On the ASX market, equity derivatives volume (excluding the ASX SPI 200) for October 2011 was 13.1 million contracts. Measuring volumes on the prior contract size, in order to allow for a meaningful comparison, results in equity derivatives volume (excluding the ASX SPI 200) for October 2011 of 2.3 million contracts. This represents a 42% increase in total volumes compared to the pcp, with a daily average of 109,260 contracts, also up 42% on the pcp.
- On the ASX 24 market, total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for October 2011 was 6.6 million, up 2% on the pcp, with a notional value of \$3.2 trillion. Average daily contracts volume during October 2011 of 314,718 was also up 2% on the pcp.
- A total of 6,037 ASX CFD trades were transacted in October 2011, comprising a volume of 9.3 million contracts. The total notional value of all CFD trades for October was \$245.8 million, a decrease of 23% on the pcp, while the value of CFD open interest at the end of October was \$76.5 million, a decrease of 53% on the pcp.

Derivatives Markets	Oct 2011 Month	Oct 2010 Month	Oct 2011 Financial YTD	Oct 2010 Financial YTD
<b>Derivatives total trading days</b> (Derivatives includes exchange-traded options, commodities, and index options and futures)	21	21	87	87
<b>Derivatives volume</b>				
Total contracts	13,121,740	1,619,098	63,028,711	7,182,701
Total contracts – converted to previous contract size	2,294,456	1,619,098	10,660,561	7,182,701
Change on pcp	42%		48%	
Average daily contracts	624,845	77,100	724,468	82,560
Average daily contracts – converted to previous contract size	109,260	77,100	122,535	82,560
Change on pcp	42%		48%	
<b>Futures and options total trading days</b> (Futures and options includes interest rate, ASX SPI 200 and energy contracts)	21	21	87	87
<b>Futures volume</b>				
Total contracts	6,437,972	6,091,955	36,442,390	28,485,079
Change on pcp	6%		28%	
Average daily contracts	306,570	290,093	418,878	327,415
Change on pcp	6%		28%	
<b>Options on futures volume</b>				
Total contracts	171,096	373,790	930,713	1,435,943
Change on pcp	-54%		-35%	
Average daily contracts	8,147	17,800	10,698	16,505
Change on pcp	-54%		-35%	
<b>Total futures and options on futures volume</b>				
Total contracts	6,609,068	6,465,745	37,373,103	29,921,022
Change on pcp	2%		25%	
Average daily contracts	314,718	307,893	429,576	343,920
Change on pcp	2%		25%	
<b>Contracts for difference market</b>				
Total trades	6,037	8,377	33,161	38,683
Total contracts traded	9,265,540	15,337,725	61,178,825	57,886,352
Notional value traded (\$million)	245.8	319.7	1,170.7	1,348.5
Total open interest value (at end of month) (\$million)	76.5	161.8		

#### Trading – Energy and agricultural derivatives markets

- A total of 15,779 Australian electricity futures and options contracts were traded in October 2011, up 16% on the pcp. Total open interest was 40,376 contracts at the end of October 2011 compared to 49,367 at the end of September 2011.
- The ASX grain futures and options market traded 40,376 contracts (852,920 tonnes) during the month, down 44% on the pcp. Open interest at the end of October 2011 of 120,047 futures contracts represents 2.4 million tonnes of Australian grain and oilseed. The ASX grain futures and options market migrated to ASX 24 and ASX Clear (Futures) on Monday, 24 October 2011.

## 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 \$3.4 billion during October 2011 (including excess cash collateral but excluding equity securities lodged in excess of the margin requirement), with cash margins lodged averaging \$2.7 billion.
- There were nine intra-day margin calls made on three separate days in October 2011 totalling \$48 million, compared to \$13.8 million of intra-day margin calls in September 2011.

ASX Clearing Corporation	Oct 2011 Month	Oct 2010 Month	Oct 2011 Financial YTD	Oct 2010 Financial YTD
<b>Collateral Balances – At End of Month</b>				
Cash margins held on-balance sheet:				
- ASX Clear (\$billion)	0.3	0.3		
- ASX Clear (Futures) (\$billion)	2.4	2.0		
Cash equivalents held on-balance sheet – ASX Clear (Futures) (\$billion)	0.0	0.2		
Collateral cash cover held off-balance sheet (equities and guarantees) – ASX Clear (\$billion)	4.1	4.3		
<b>Total billable value cleared (\$billion)</b>	<b>81.183</b>	<b>89.037</b>	<b>383.523</b>	<b>359.670</b>

## ASX SETTLEMENT CORPORATION

### ASX Settlement

- There were no disruptions to the completion of batch settlement in the equities market during October 2011.
- Total equity settlement delivery fail rate averaged 0.35% per day during October 2011, a small improvement on the 0.37% rate for September 2011.

ASX Settlement Corporation	Oct 2011 Month	Oct 2010 Month	Oct 2011 Financial YTD	Oct 2010 Financial YTD
<b>ASX Settlement</b>				
Gross value of novated settlements (\$billion)	75.9	76.8	351.4	321.3
Net value of novated settlements (\$billion)	27.7	30.9	128.8	128.4
Gross value of non-novated settlements (\$billion)	122.4	121.3	573.9	508.7
<b>Total value of settlements post netting (\$billion)</b>	<b>150.1</b>	<b>152.2</b>	<b>702.7</b>	<b>637.1</b>
Value of Chess holdings – period end (\$billion)	1,156.6	1,194.9		

## Austraclear Settlement

- One disruption to the Austraclear settlement sessions occurred during October 2011. Transactions entered into the Austraclear system from 3:14pm on Monday 10 October were unable to settle due to a system process issue. All transactions were settled prior to the extended end of day cut-off of 7:28pm.
- The levels of total debt holdings in Austraclear increased over the course of October by \$10.9 billion to \$1.283 trillion. During October, electronic certificates of deposit increased by \$2.1 billion, electronic promissory notes increased by \$1.1 billion, floating rate notes increased by \$3.5 billion and Treasury bonds increased by \$8.3 billion. Corporate bonds decreased by \$2.7 billion and all other holdings decreased by \$1.4 billion in October.

Austraclear Settlement and Depository	Oct 2011 Month	Oct 2010 Month
Austraclear securities holdings – period end (\$billion)	1,282.5	1,174.9

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

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