



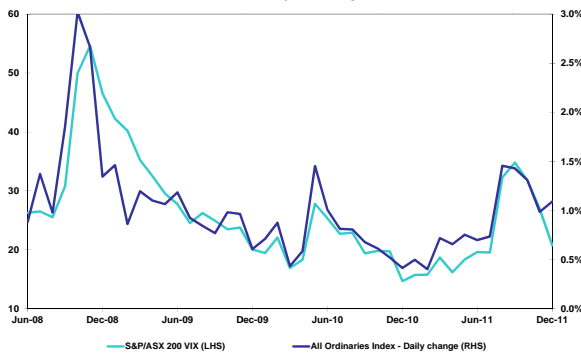
# MARKET ANNOUNCEMENT

6 January 2012

## ASX Group Monthly Activity Report – December 2011

The value of ASX-listed stocks, as measured by the All Ordinaries Index, fell 1.8% in December 2011. While this follows declines in other major markets, including Germany down 3.1% and Singapore down 2.1%, most other markets rose including Hong Kong up 2.5%, the UK up 1.2%, the US up 0.9% and Japan up 0.2%.

**Australian Equity Market Volatility**  
Monthly average

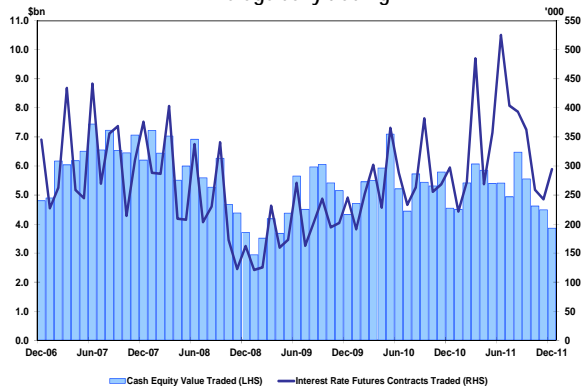


Measures of volatility in the Australian equity market remained above long-term averages during December:

- Current volatility (as measured by the average daily movement in the All Ordinaries Index) was 1.1% in December, up on the previous month (1.0%).
- Expected future volatility (as measured by the S&P/ASX 200 VIX) fell on average in December to 20.8 (compared to 26.9 in November).

Volatility in US markets (S&P 500 Index) fell in December, with average daily movements of 0.9% (1.5% in November). Expectations of future volatility in the US also fell during December.

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



The value of daily cash market trading in December declined compared to November, with an average traded value of \$3.9 billion a day, compared to \$4.4 billion a year earlier.

Activity in interest rate futures contracts remained healthy. Trading during December in the four main contracts (3 and 10 year bonds, 90 day bank bills, and the 30 day cash rate) of 294,628 contracts traded on average each day was comparable to the December 2010 total of 297,174.

## AUSTRALIAN SECURITIES EXCHANGE

### Listings and capital raisings

- In December 2011 there were 12 new listings, down 66% on the 35 in the previous corresponding period (pcp).
- In calendar year 2011, 133 new entities listed, compared to 127 in calendar year 2010.
- Total listed entities at the end of December 2011 were 2,222, marginally higher than the 2,216 of a year ago.
- There was \$3.7 billion of initial capital raised in December 2011 (including \$2.3 billion for Centro Retail Australia), compared to \$10.6 billion in the pcp, (including \$8.4 billion for Westfield Retail Trust).
- Initial capital raised in calendar year 2011 was \$15.5 billion, 36% lower than the \$25.0 billion in calendar year 2010.
- Secondary capital raised in December 2011 totalled \$5.3 billion, compared to \$5.8 billion in the pcp. There was also \$362 million of other capital raised, including scrip-for-scrip, in December 2011.
- Total secondary capital raised in calendar year 2011 was \$33.1 billion, up 5% on the \$31.4 billion in calendar year 2010.
- Total capital raised in December 2011 amounted to \$9.0 billion, down 45% on the \$16.4 billion raised in the pcp.
- Total capital raised in calendar year was \$48.6 billion, down 14% on the \$56.5 billion in calendar year 2010.

Listings and Capital Raisings	Dec 2011 Month	Dec 2010 Month	Dec 2011 Financial YTD	Dec 2010 Financial YTD
New listed entities admitted	12	35	57	84
Change on pcp	-66%		-32%	
Total listed entities (at end of month)	2,222	2,216		
Change on pcp	-			
Initial capital raised (\$million)	3,694	10,587	6,729	20,613
Secondary capital raised (\$million)	5,335	5,790	17,725	18,369
Total capital raised (\$million)	9,029	16,377	24,454	38,982
Change on pcp	-45%		-37%	
Other capital raised including scrip-for-scrip (\$million)	362	2,165	4,011	13,685

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

The All Ordinaries Index closed at 4,111.0 points at the end of December, a fall of 1.8% over the course of the month. The index has fallen 15.2% in the calendar year 2011.

- Total cash market trades for December 2011 were 11.7 million, up 7% on the pcp. Average daily trades for December 2011 of 585,138 were 12% higher than the pcp.
- Total cash market trades in calendar year 2011 were 161.2 million, 18% higher than calendar year 2010. Average daily trades for calendar year 2011 were 639,545, 19% higher than calendar year 2010.

- Total cash market traded value was \$78.4 billion in December 2011, down 16% on the pcp. The average daily value traded of \$3.9 billion in December 2011 was down 11% on the pcp.
- Total cash market traded value in calendar year 2011 was \$1.3 trillion, 4% lower than calendar year 2010, with a daily average value of \$5.2 billion, 4% lower than calendar year 2010.
- In December 2011 the average value per trade was \$6,701, down 21% on the pcp of \$8,458. The percentage of traded value crossed was 24% (27% pcp).

Cash Markets	Dec 2011 Month	Dec 2010 Month	Dec 2011 Financial YTD	Dec 2010 Financial YTD
Total trading days	20	21	129	130
Cash market volume				
Total trades	11,702,750	10,983,547	87,024,505	70,180,467
Change on pcp	7%		24%	
Average daily trades	585,138	523,026	674,609	539,850
Change on pcp	12%		25%	
Cash market value (including value of crossed trades)				
Total value (\$billion)	78.420	92.895	643.908	675.387
Change on pcp	-16%		-5%	
Average daily value (\$billion)	3.921	4.424	4.992	5.195
Change on pcp	-11%		-4%	
Cash market behaviour statistics				
Turnover crossed (%)	24%	27%	24%	29%
Off-market turnover crossed (%)	12%	14%	11%	16%
On-market turnover crossed (%)	12%	13%	13%	13%
Total value crossed (\$billion)	18.990	25.792	155.347	193.540
Non billable value (above cap) (\$billion)	2.133	2.614	15.071	21.240
Total billable value (\$billion)	76.287	90.281	628.837	654.147
Billable value – off-market crossings (%)	12%	13%	11%	14%
Billable value – on-market crossings (%)	12%	13%	12%	13%
Cash market includes equity, warrant and interest rate market transactions				

### Trading – Financial derivatives markets

- Against the backdrop of continuing economic uncertainty in Europe, trading activity in the benchmark interest rate and equity index futures products leading into contract expiry was comparable to December 2010 levels.
- In December, the RBA cut the official cash rate by a further 25 basis points to 4.25% following a cut of the same amount in November. This decision came amidst concerns of a slowdown in world economic growth and an easing of domestic inflationary pressures.
- On the ASX market, equity derivatives volume (excluding the ASX SPI 200) for December 2011 was 11.2 million contracts. Measuring volumes on the prior contract size, in order to allow for a meaningful comparison, translates to equity derivatives volume (excluding the ASX SPI 200) for December 2011 of 1.9 million contracts. This represents a 17% increase in total volumes compared to the pcp, with a daily average of 94,456 contracts, up 23% on the pcp. As in November, the majority of this increase is attributable to equity index options.

- On the ASX 24 market, total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for December 2011 was 7.3 million, down 4% on the pcp, with a notional value of \$2.6 trillion. Average daily contracts volume during December 2011 of 363,071 was up 1% on the pcp.
- Total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for calendar year 2011 was \$104.5 million, up 21% on calendar year 2010.
- A total of 4,894 ASX CFD trades were transacted in December 2011, comprising a volume of 6.8 million contracts. The total notional value of all CFD trades for December was \$144.9 million, a decrease of 29% on the pcp, while the value of CFD open interest at the end of December was \$85.0 million, a decrease of 39% on the pcp.

Derivatives Markets	Dec 2011 Month	Dec 2010 Month	Dec 2011 Financial YTD	Dec 2010 Financial YTD
<b>Derivatives total trading days</b> (Derivatives includes exchange-traded options, commodities, and index options and futures)	20	21	129	130
<b>Derivatives volume</b>				
Total contracts	11,228,168	1,615,300	86,617,642	10,736,392
Total contracts – converted to previous contract size	1,889,118	1,615,300	14,680,232	10,736,392
Change on pcp	17%		37%	
Average daily contracts	561,408	76,919	671,455	82,588
Average daily contracts – converted to previous contract size	94,456	76,919	113,800	82,588
Change on pcp	23%		38%	
<b>Futures and options total trading days</b> (Futures and options includes interest rate, ASX SPI 200 and energy contracts)	20	21	129	130
<b>Futures volume</b>				
Total contracts	7,184,006	7,320,688	50,006,679	42,615,064
Change on pcp	-2%		17%	
Average daily contracts	359,200	348,604	387,649	327,808
Change on pcp	3%		18%	
<b>Options on futures volume</b>				
Total contracts	77,411	215,441	1,141,098	2,014,247
Change on pcp	-64%		-43%	
Average daily contracts	3,871	10,259	8,846	15,494
Change on pcp	-62%		-43%	
<b>Total futures and options on futures volume</b>				
Total contracts	7,261,417	7,536,129	51,147,777	44,629,311
Change on pcp	-4%		15%	
Average daily contracts	363,071	358,863	396,494	343,302
Change on pcp	1%		15%	
<b>Contracts for difference market</b>				
Total trades	4,894	5,023	44,864	51,388
Total contracts traded	6,769,725	10,142,367	77,996,671	84,879,753
Notional value traded (\$million)	144.9	202.8	1,542.5	1,823.7
Total open interest value (at end of month) (\$million)	85.0	139.5		

## Trading – Energy and agricultural derivatives markets

- A total of 9,805 Australian electricity futures and options contracts were traded in December 2011, down 21% on the pcp. Total open interest was 39,272 contracts at the end of December 2011 up 5% on the 37,390 at the end of November 2011.
- The ASX grain futures and options market traded 47,474 contracts (just under 950,000 tonnes) during the month, down 33% on the pcp. Market activity was impacted, in part, by the suspension of MF Global as a Participant following the appointment of an administrator. MF Global was historically a very active Participant in the ASX grains futures market. Open interest at the end of December 2011 of 60,787 futures contracts represents approximately 1.2 million tonnes of Australian grain and oilseed.

## 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 \$3.6 billion during December 2011 (including excess cash collateral but excluding equity securities lodged in excess of the margin requirement), with cash margins lodged averaging \$2.9 billion.
- There were three intra-day margin calls made on one day in December 2011 totalling \$5.9 million, compared to \$14.8 million of intra-day margin calls in November 2011.

ASX Clearing Corporation	Dec 2011 Month	Dec 2010 Month	Dec 2011 Financial YTD	Dec 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	1.9		
Cash equivalents held on-balance sheet – ASX Clear (Futures) (\$billion)	0.3	0.3		
Collateral cash cover held off-balance sheet (equities and guarantees) – ASX Clear (\$billion)	3.9	4.2		
<b>Total billable value cleared (\$billion)</b>	<b>64.460</b>	<b>73.271</b>	<b>527.931</b>	<b>521.221</b>

## ASX SETTLEMENT CORPORATION

### ASX Settlement

- Total equity settlement delivery fail rate averaged 0.42% per day during December 2011, a small improvement on the 0.48% rate for November 2011.

ASX Settlement Corporation	Dec 2011 Month	Dec 2010 Month	Dec 2011 Financial YTD	Dec 2010 Financial YTD
ASX Settlement				
Gross value of novated settlements (\$billion)	66.7	75.6	493.3	489.4
Net value of novated settlements (\$billion)	26.2	34.4	183.8	199.7
Gross value of non-novated settlements (\$billion)	108.6	142.7	805.5	815.2
Total value of settlements post netting (\$billion)	134.8	177.1	989.3	1,014.9
Value of Chess holdings – period end (\$billion)	1,089.3	1,220.8		

### Austraclear Settlement

- The levels of total debt holdings in Austraclear increased over the course of December by \$4.6 billion to \$1.289 trillion. During December, electronic certificates of deposit increased by \$1.3 billion, semi government securities increased by \$1.1 billion, treasury bonds increased by \$2.8 billion and treasury notes increased by \$1.5 billion. Floating rate notes decreased by \$1.3 billion and all other holdings decreased by \$0.8 billion.

Austraclear Settlement and Depository	Dec 2011 Month	Dec 2010 Month
Austraclear securities holdings – period end (\$billion)	1,289.2	1,187.5

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

ASX will announce its half-year result for the six month period ending 31 December 2011 on 16 February 2012.

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