



MARKET ANNOUNCEMENT

6 July 2011

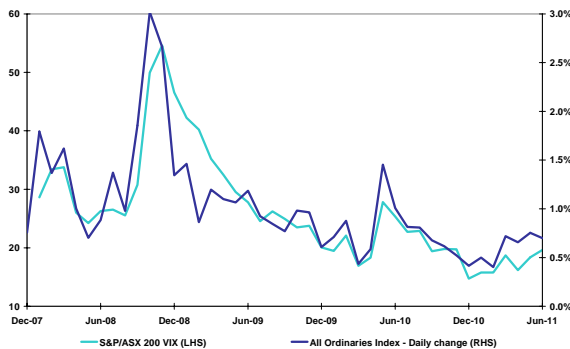
ASX Group Monthly Activity Report – June 2011

The value of ASX-listed stocks, as measured by the All Ordinaries Index, fell 2.7% during June 2011. Many other major markets also fell during the month including Hong Kong down 5.4%, the US down 1.8%, the UK down 0.7%, and Singapore down 1.2%. In contrast Japan was up 1.3%.

Over the course of financial year 2011 (FY11), the All Ordinaries rose 7.7% following a rise of 9.5% in the previous financial year. Market volatility was slightly lower in FY11 (0.6% average daily movements compared to 0.8% in FY10). The rise in Australian equity valuation lagged behind many other major markets with the US up 28.1%, the UK up 20.9%, Hong Kong up 11.3%, and Singapore up 10.0%. This relative performance, in large part, reflected the strong rise in the Australian dollar over the financial year: 26.0% higher against the US dollar, 14.4% higher against the yen and 6.1% higher against the euro.

Market conditions helped underpin continued strong secondary equity market trading and a further increase in initial public offering (IPO) activity during FY11. Secondary capital raising activity remained healthy in FY11, although lower than FY10 and well down on the record levels seen during FY09.

Australian Equity Market Volatility
Monthly average

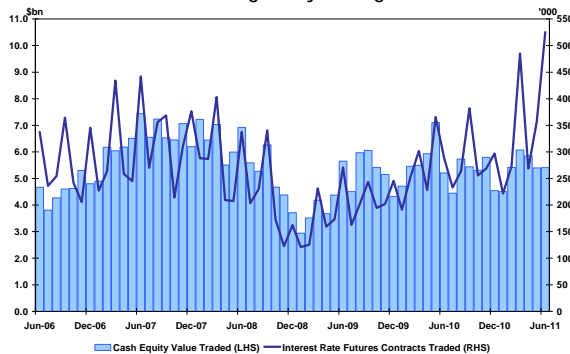


Measures of volatility in the Australian equity market were generally restrained during June:

- Current volatility (as measured by the average daily movement in the All Ordinaries Index) was 0.7% in June (May 0.8%).
- Expected future volatility (as measured by the S&P/ASX 200 VIX) rose on average in June to 19.6 (compared to 18.4 in May).

Volatility in US markets (S&P 500 Index) rose sharply in June with average daily movements of 0.9% (0.6% in May). Expectations of future volatility in the US also rose during June.

ASX Cash Equity and Interest Rate Futures
Average daily trading



The value of daily cash market trading in June was steady compared to the previous month's performance, with an average traded value of \$5.3 billion a day.

Activity in interest rate futures contracts continued its upward trend, with trading during the June expiry month in the four main contracts (3 and 10 year bonds, 90 day bank bills, and the 30 day cash rate) creating a daily average record of 525,536 interest rate futures contracts traded.

AUSTRALIAN SECURITIES EXCHANGE

Listings and capital raisings

- In June 2011 there were 13 new listings, 63% higher than the 8 in the previous corresponding period (pcp). There were 160 new listings in FY11, up 72% on 93 in FY10.
- Total listed entities at the end of June 2011 were 2,247, up 3% on the 2,192 a year ago.
- There was \$3.3 billion of initial capital raised in June 2011, compared to \$226 million in the pcp.
- Secondary capital raisings in June 2011 increased slightly, with \$1.6 billion raised, compared to \$1.5 billion in the pcp. There was also \$1.1 billion of other capital raised, including scrip-for-scrip, in June 2011.
- Total capital raised in June 2011 amounted to \$4.9 billion, up 186% on the \$1.7 billion raised in the pcp.
- For FY11, total capital raised is down 18% on FY10, with capital raised from IPOs \$29.4 billion and from secondary raisings \$33.7 billion.

| Listings and Capital Raisings | Jun 2011 Month | Jun 2010 Month | Jun 2011 Financial YTD | Jun 2010 Financial YTD |
|--|-------------------|-------------------|------------------------------|------------------------------|
| New listed entities admitted | 13 | 8 | 160 | 93 |
| Change on pcp | 63% | | 72% | |
| Total listed entities (at end of month) | 2,247 | 2,192 | | |
| Change on pcp | 3% | | | |
| Initial capital raised (\$million) | 3,345 | 226 | 29,387 | 11,460 |
| Secondary capital raised (\$million) | 1,561 | 1,487 | 33,745 | 65,087 |
| Total capital raised (\$million) | 4,906 | 1,713 | 63,132 | 76,547 |
| Change on pcp | 186% | | (18%) | |
| Other capital raised including scrip-for-scrip (\$million) | 1,078 | 242 | 24,947 | 4,469 |

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

The All Ordinaries Index closed at the end of June at 4659.8 points, a fall of 2.7% over the course of the month. The index has fallen 3.9% in the calendar year-to-date but was 7.7% higher than a year ago.

- Total cash market trades for June 2011 were 12.8 million, up 8% on the pcp. Total trades for FY11 were 144.3 million, up 9% on the pcp.
- Average daily trades for June 2011 of 610,193 were 8% higher than the pcp. Average daily trades for FY11 were 570,440, up 9% on the pcp.
- Total cash market traded value was \$111.2 billion in June 2011, up 2% on the pcp. The average daily value traded was \$5.3 billion in June 2011, also up 2% on the pcp. Total value traded for FY11 was \$1.3 trillion, down 1% on the pcp, corresponding to an average daily value of \$5.3 billion, down 1% on the pcp.
- In June 2011 the average value per trade was \$8,681, down 6% on the pcp of \$9,266. The percentage of traded value crossed was 24% (28% pcp).

| Cash Markets | Jun 2011 Month | Jun 2010 Month | Jun 2011 Financial YTD | Jun 2010 Financial YTD |
|--|-------------------|-------------------|------------------------------|------------------------------|
| Total trading days | 21 | 21 | 253 | 253 |
| Cash market volume | | | | |
| Total trades | 12,814,063 | 11,811,645 | 144,321,410 | 132,249,610 |
| Change on pcp | 8% | | 9% | |
| Average daily trades | 610,193 | 562,459 | 570,440 | 522,726 |
| Change on pcp | 8% | | 9% | |
| Cash market value (including value of crossed trades) | | | | |
| Total value (\$billion) | 111.241 | 109.446 | 1,339.140 | 1,359.304 |
| Change on pcp | 2% | | (1%) | |
| Average daily value (\$billion) | 5.297 | 5.212 | 5.293 | 5.373 |
| Change on pcp | 2% | | (1%) | |
| Cash market behaviour statistics | | | | |
| Turnover crossed (%) | 24% | 28% | 27% | 29% |
| Off-market turnover crossed (%) | 12% | 15% | 14% | 16% |
| On-market turnover crossed (%) | 12% | 13% | 13% | 13% |
| Total value crossed (\$billion) | 26.526 | 30.334 | 367.913 | 387.193 |
| Non billable value (above cap) (\$billion) | 2.171 | 7.023 | 38.414 | 56.535 |
| Total billable value (\$billion) | 109.070 | 102.423 | 1,300.726 | 1,302.769 |
| Billable value – off-market crossings (%) | 11% | 13% | 12% | 14% |
| Billable value – on-market crossings (%) | 12% | 13% | 13% | 13% |
| Cash market includes equity, warrant and interest rate market transactions | | | | |

Trading – Financial derivatives markets

- There was a continuation of very strong trading activity in the benchmark interest rate contracts in June (an expiry month), including record monthly volume in:
 - 30 day cash rate futures (885,640 contracts), 8% higher than the previous record set in May 2011.
 - 90 day bank bill futures (2,879,948 contracts), 7% higher than the previous record set in August 2007.
 - 3 year treasury bond futures (5,365,381 contracts), 15% higher than the previous record set in March 2011.
- Volatility in the short end of the yield curve drove activity in the 30 day interbank futures and 90 day bank bill futures as the market's view on future changes in the official cash rate by the RBA changed. At the beginning of the month, market expectations were for another 25 basis points increase in the official cash rate by mid next year. However, with economic data signalling a weaker domestic economy and concerns over the euro debt crisis deepening, market expectations turned to the probability of a rate cut in the second half of 2011.
- Equity derivatives volume (excluding the ASX SPI 200) for June 2011 was 16.2 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 June 2011 of 2.5 million contracts. This represents a 26% increase in total volumes compared to the pcp, with a daily average of 118,559 contracts, up 26% on pcp. Total volumes for FY11 (based on the prior contract size) were 23.1 million contracts corresponding to an average daily volume of 91,495 contracts, both up 7% on the pcp.
- Total futures and options on futures contracts volume (excluding equity derivatives and CFDs) for June 2011 was a record 13.6 million, up 71% on the pcp, with a notional value of \$6.6 trillion. Average daily contracts volume during June 2011 of 616,781 was also up 71% on the pcp. Total volumes for FY11 were a record 98.0 million contracts ,corresponding to an average daily volume of 382,687 contracts, both up 29% on the pcp.
- A total of 5,937 ASX CFD trades were transacted in June 2011, comprising a volume of 15.3 million contracts. The total notional value of all CFD trades for June was \$204.2 million, a decrease of 26% on the pcp, while the value of CFD open interest at the end of June was \$87.1 million, a decrease of 27% on the pcp. Total ASX CFD trades in FY11 were 92,905, down 25% on FY10, comprising 176.5 million contracts, up 15%, and with a notional value of \$3.5 billion, down 4%.

| Derivatives Markets | Jun 2011 Month | Jun 2010 Month | Jun 2011 Financial YTD | Jun 2010 Financial YTD |
|--|-------------------|-------------------|---------------------------|---------------------------|
| Derivatives total trading days (Derivatives includes exchange traded options, commodities, and index options and futures) | 21 | 21 | 253 | 253 |
| Derivatives volume | | | | |
| Total contracts | 16,234,191 | 1,982,165 | 47,247,892 | 21,654,341 |
| Change on pcp* | N/A | | N/A | |
| Average daily contracts | 773,057 | 94,389 | 186,751 | 85,590 |
| Change on pcp* | N/A | | N/A | |
| Futures and options total trading days (Futures and options includes interest rate, ASX SPI 200 and energy contracts) | 22 | 22 | 256 | 256 |
| Futures volume | 13,064,604 | 7,710,445 | 93,404,313 | 73,229,395 |
| Change on pcp | 69% | | 28% | |
| Average daily contracts | 593,846 | 350,475 | 364,861 | 286,052 |
| Change on pcp | 69% | | 28% | |
| Options on futures volume | | | | |
| Total contracts | 504,575 | 220,578 | 4,563,585 | 2,867,032 |
| Change on pcp | 129% | | 59% | |
| Average daily contracts | 22,935 | 10,026 | 17,827 | 11,199 |
| Change on pcp | 129% | | 59% | |
| Total futures and options on futures volume | | | | |
| Total contracts | 13,569,179 | 7,931,023 | 97,967,898 | 76,096,427 |
| Change on pcp | 71% | | 29% | |
| Average daily contracts | 616,781 | 360,501 | 382,687 | 297,252 |
| Change on pcp | 71% | | 29% | |
| Contracts for difference market | | | | |
| Total trades | 5,937 | 10,669 | 92,905 | 124,172 |
| Total contracts traded | 15,313,483 | 10,957,124 | 176,523,838 | 152,948,095 |
| Notional value traded (\$million) | 204.2 | 276.8 | 3,466.0 | 3,615.6 |
| Total open interest value (at end of month) (\$million) | 87.1 | 118.6 | | |
| * Percentage change not meaningful due to change in contract size from 1,000 shares to 100 shares on single stock options during May 2011. | | | | |

Trading – Energy and agricultural derivatives markets

- A total of 10,776 Australian electricity futures and options contracts were traded in June 2011, a decrease of 28% on the pcp. Total open interest was 46,360 contracts at the end of June 2011.
- The ASX grain futures and options market traded 33,518 contracts (670,360 tonnes) during the month, up 42% on the pcp. Open interest at the end of June 2011 of 108,774 futures contracts represents 2.17 million tonnes of Australian grain and oilseed. The total volume traded for FY11 was 483,273 contracts (9,665,460 tonnes), a record year representing 24% growth on FY10.

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 \$3.0 billion during June 2011 (including excess cash collateral but excluding equity securities lodged in excess of the margin requirement), with cash margins lodged averaging \$2.5 billion.
- There were intra-day margin calls made on four separate days in June 2011 totalling \$4.6 million compared to \$2.9 million of intra-day margin calls in May 2011.

| ASX Clearing Corporation | Jun 2011 Month | Jun 2010 Month | Jun 2011 Financial YTD | Jun 2010 Financial YTD |
|--|-------------------|-------------------|------------------------------|------------------------------|
| Collateral Balances – At End of Month | | | | |
| Cash margins held on-balance sheet: | | | | |
| - ASX Clear (\$billion) | 0.3 | 0.4 | | |
| - ASX Clear (Futures) (\$billion) | 2.0 | 2.0 | | |
| Cash equivalents held on-balance sheet – ASX Clear (Futures) (\$billion) | 0.2 | 0.5 | | |
| Collateral cash cover held off-balance sheet (equities and guarantees) – ASX Clear (\$billion) | 4.2 | 3.9 | | |
| Total billable value cleared (\$billion) | 91.535 | 88.357 | 1,045.417 | 1,085.790 |

ASX SETTLEMENT CORPORATION

ASX Settlement

There were no disruptions to the completion of batch settlement in the equities market during June 2011.

- Total equity settlement delivery fail rate averaged 0.65% per day during June 2011, a small increase on the 0.5% rate for May 2011.

| ASX Settlement Corporation | Jun 2011 Month | Jun 2010 Month | Jun 2011 Financial YTD | Jun 2010 Financial YTD |
|---|-------------------|-------------------|------------------------------|------------------------------|
| ASX Settlement | | | | |
| Gross value of novated settlements (\$billion) | 84.0 | 86.5 | 962.0 | 990.7 |
| Net value of novated settlements (\$billion) | 33.0 | 34.6 | 401.6 | 410.5 |
| Gross value of non-novated settlements (\$billion) | 143.2 | 134.2 | 1,645.8 | 1,719.0 |
| Total value of settlements post netting (\$billion) | 176.2 | 168.8 | 2,047.4 | 2,129.5 |
| Value of Chess holdings – period end (\$billion) | 1,186.2 | 1,077.9 | | |

Austraclear Settlement

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

- The levels of total debt holdings in Austraclear decreased over the course of June by \$14.7 billion to \$1.2 trillion. During June electronic certificates of deposit decreased by \$6.9 billion, treasury bonds decreased by \$5.1 billion, semi-government bonds decreased by \$3.6 billion and corporate bonds decreased by \$3.5 billion. Treasury notes increased by \$4.3 billion and all other holdings increased by \$0.1 billion in total in June.

| Austraclear Settlement and Depository | Jun 2011 Month | Jun 2010 Month |
|--|-------------------|-------------------|
| Austraclear securities holdings – period end (\$billion) | 1,235.6 | 1,158.7 |

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

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