Country Report for Australia
Asia Securities Forum

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Australian Financial Markets Association
Overview of Presentation

- The Economy
- Securities Market Performance
  - Equities market review
  - Debt markets review
  - Market outlook
- Prospects for the Securities Industry
## A Snapshot of the Australian Economy

<table>
<thead>
<tr>
<th>Fiscal year – 12 months to end-June</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic growth (GDP, %)</td>
<td>1.4</td>
<td>2.3</td>
<td>1.9</td>
<td>3.4</td>
<td>3.8</td>
</tr>
<tr>
<td>Household consumption growth (%)</td>
<td>0.1</td>
<td>2.5</td>
<td>3.1</td>
<td>3.7</td>
<td>3.5</td>
</tr>
<tr>
<td>Business investment growth (%)</td>
<td>2.3</td>
<td>(5.1)</td>
<td>6.1</td>
<td>22.1</td>
<td>14.5</td>
</tr>
<tr>
<td><strong>Balance of payments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current a/c deficit (% of GDP)</td>
<td>3.0</td>
<td>4.3</td>
<td>2.3</td>
<td>2.8</td>
<td>5.3</td>
</tr>
<tr>
<td>AUD/USD (year-end)</td>
<td>0.8114</td>
<td>0.8523</td>
<td>1.0739</td>
<td>1.0191</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Inflation (yearly growth, %)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Consumer price index</td>
<td>1.5</td>
<td>3.1</td>
<td>3.6</td>
<td>1.2</td>
<td>3.0</td>
</tr>
<tr>
<td>- Underlying rate of CPI</td>
<td>2.5</td>
<td>2.9</td>
<td>2.5</td>
<td>1.9</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Employment growth (yearly growth, %)</strong></td>
<td>0.3</td>
<td>2.9</td>
<td>2.0</td>
<td>0.4</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Unemployment rate (June, %)</strong></td>
<td>5.9</td>
<td>5.2</td>
<td>5.0</td>
<td>5.3</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>Wage price index (yearly growth, %)</strong></td>
<td>3.8</td>
<td>3.1</td>
<td>3.8</td>
<td>3.7</td>
<td>4.3</td>
</tr>
</tbody>
</table>

Forecast (#) average year outcome for each item; from the Commonwealth (Federal) Government Economic Outlook.
Equities Market Review

- Equity Asset Values

Source: Reserve Bank of Australia
Equities Market Review

- Equity Capital Market

Source: Australian Securities Exchange
Equities Market Review

- Share Trading Activity

![ASX Equities Turnover (AUD $ billion)](chart)

Source: Australian Securities Exchange
Debt Markets Review

- Cost of funds

Source: Reserve Bank of Australia
Debt Markets Review

- Debt Capital Market

Source: Reserve Bank of Australia
Debt Markets Review

- Debt Market Turnover

![Debt Securities Turnover (AUD $ billion)](image)

Source: Australian Financial Markets Association
Prospects for the Securities Industry

- OTC derivatives market reform
- Exchange market reform
- Regulation of retail financial markets
- Industry standards development
- Developing new markets
- International engagement