



Country Report for Australia

Asia Securities Forum

Presented by David Lynch

Australian Financial Markets Association

www.afma.com.au

Overview of Presentation

- The Economy
- Securities Market Performance
 - Equities market review
 - Debt markets review
 - Market outlook
- Prospects for the Securities Industry



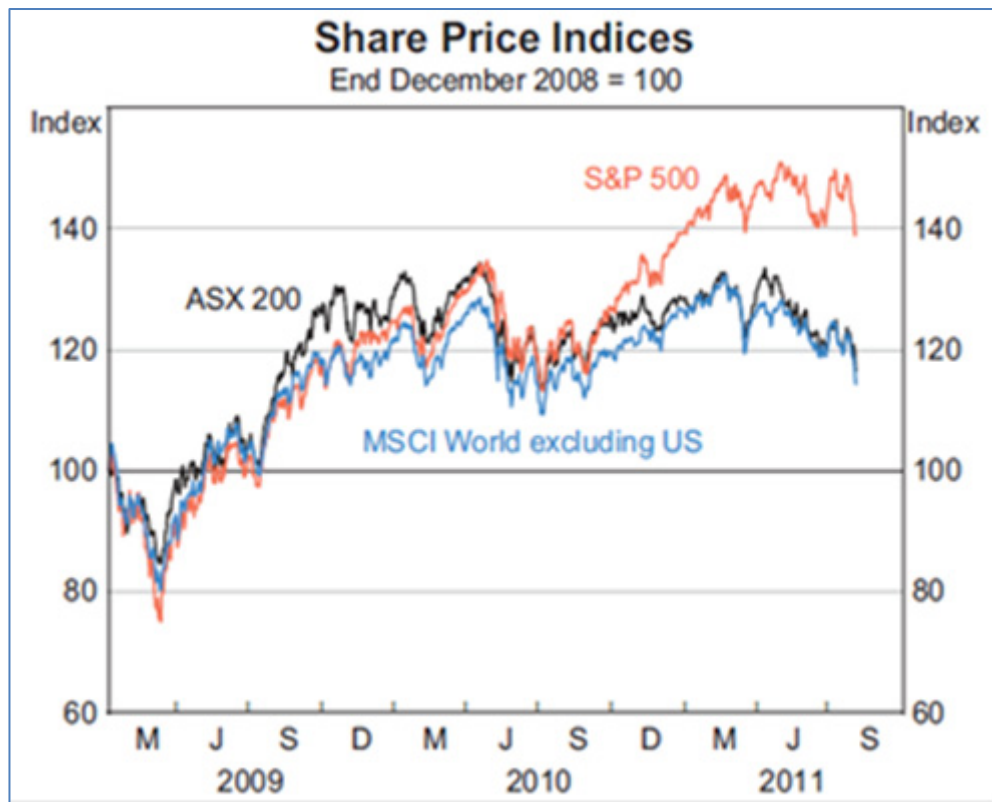
A Snapshot of the Australian Economy

Fiscal year – 12 months to end-June	2007-08	2008-09	2009-10	2010-11	2011-12#
Economic growth (GDP, %)	3.8	1.4	2.3	2.25#	4.0
Private consumption growth (%)	4.7	0.2	2.1	3.0#	3.5
Business investment growth (%)	15.6	1.6	(4.8)	4.5#	16.0
Balance of payments					
Current a/c deficit (% of GDP)	6.3	3.1	4.1	2.0#	4.0
AUD/USD (year-end)	0.9626	0.8114	0.8523	1.0739	n/a
Inflation (yearly growth, %)					
- Consumer price index	4.5	1.5	3.1	3.6	2.75
- Underlying rate of CPI	4.2	2.5	2.9	2.5	n/a
Employment growth (yearly growth, %)	2.4	(0.2)	3.3	2.0	1.75
Unemployment rate (June, %)	4.2	5.8	5.1	4.9	4.75
Wage price index (yearly growth, %)	4.1	3.9	3.0	3.8	4.0

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

Equities Market Review

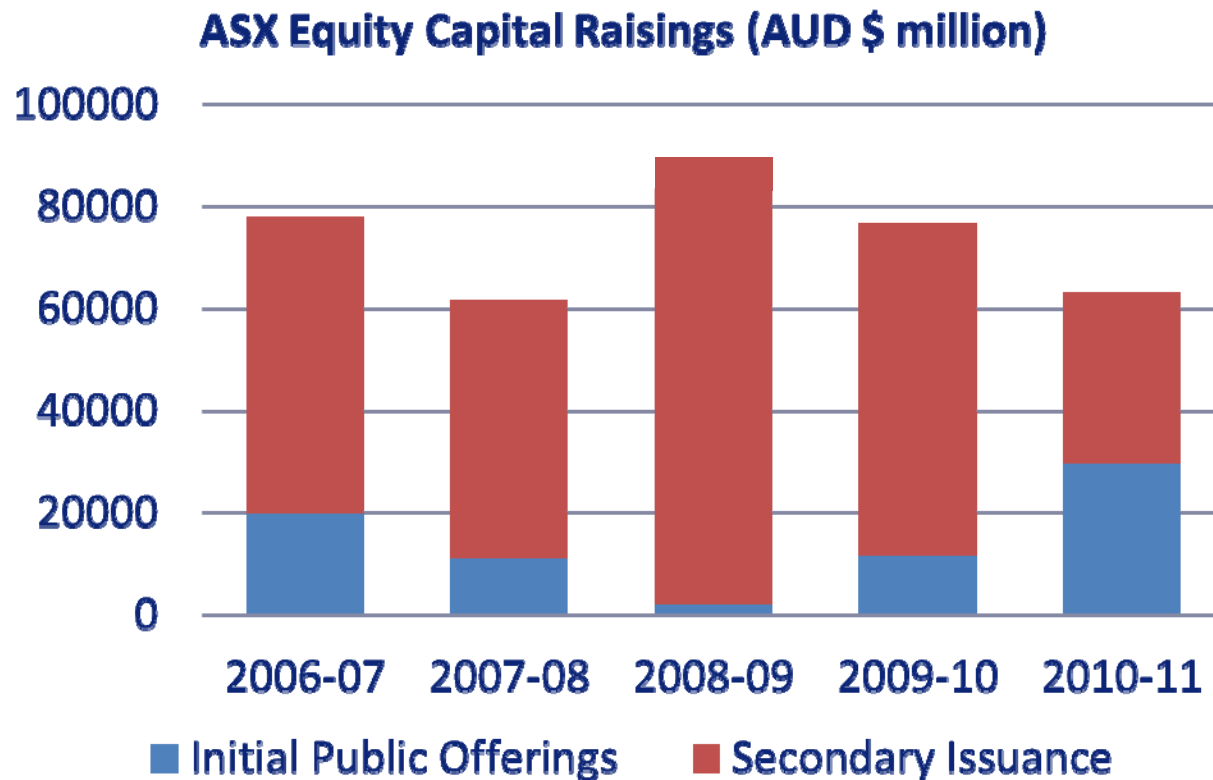
- Equity Asset Values



Source: Reserve Bank of Australia

Equities Market Review

- Equity Capital Market

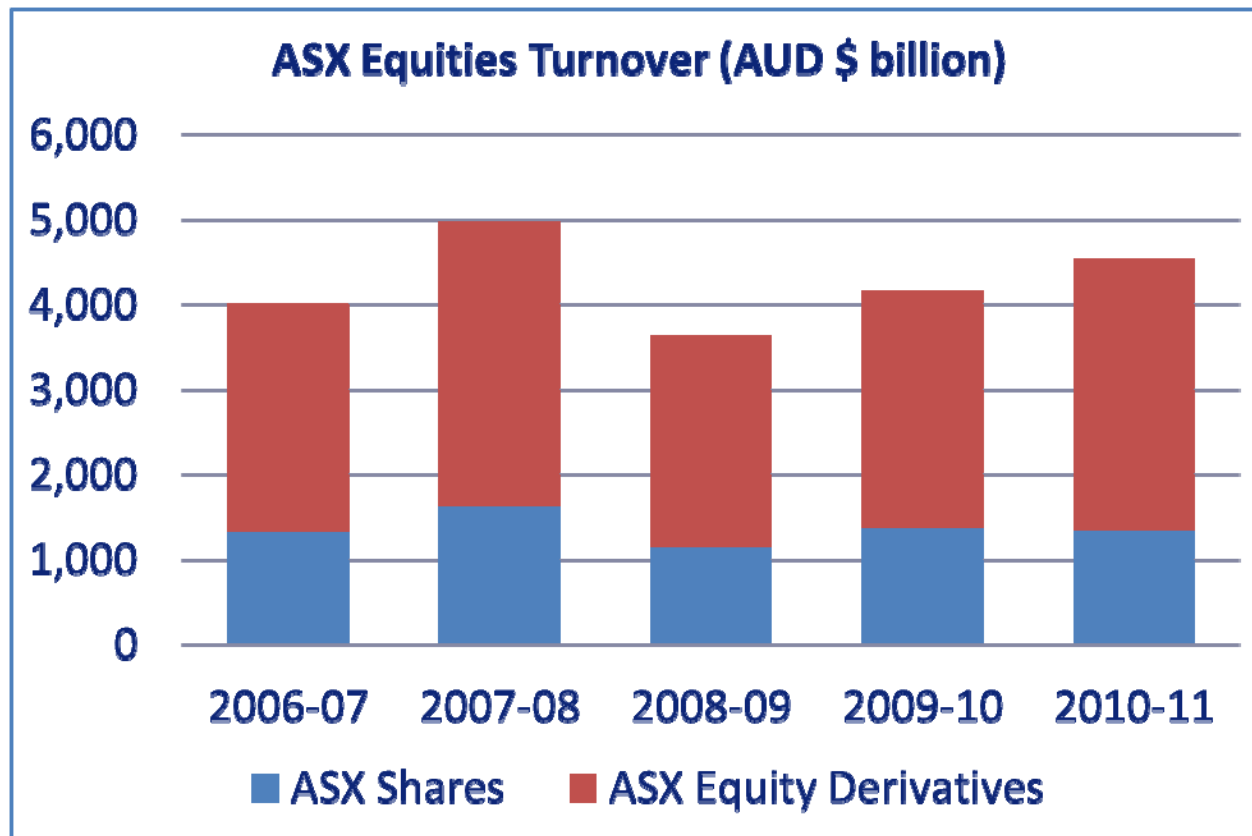


Source: Australian Securities Exchange



Equities Market Review

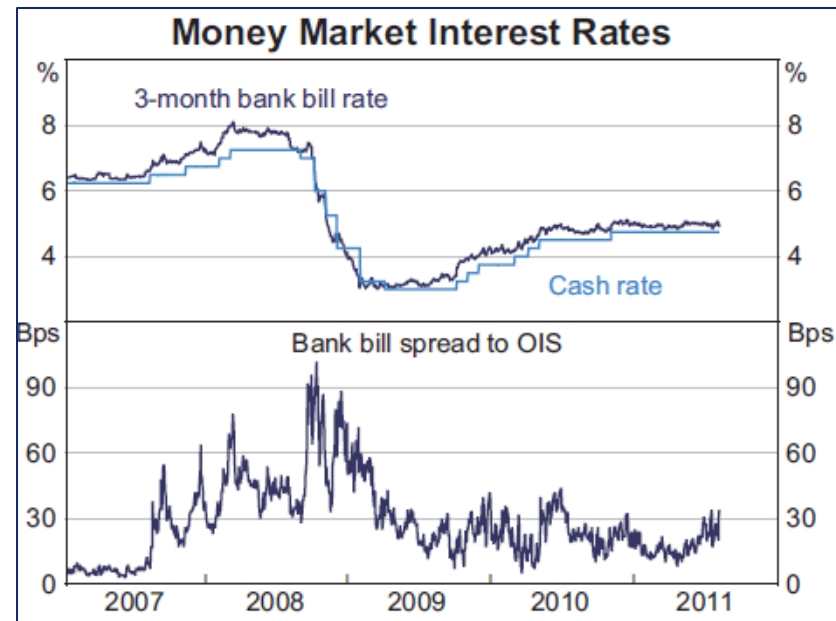
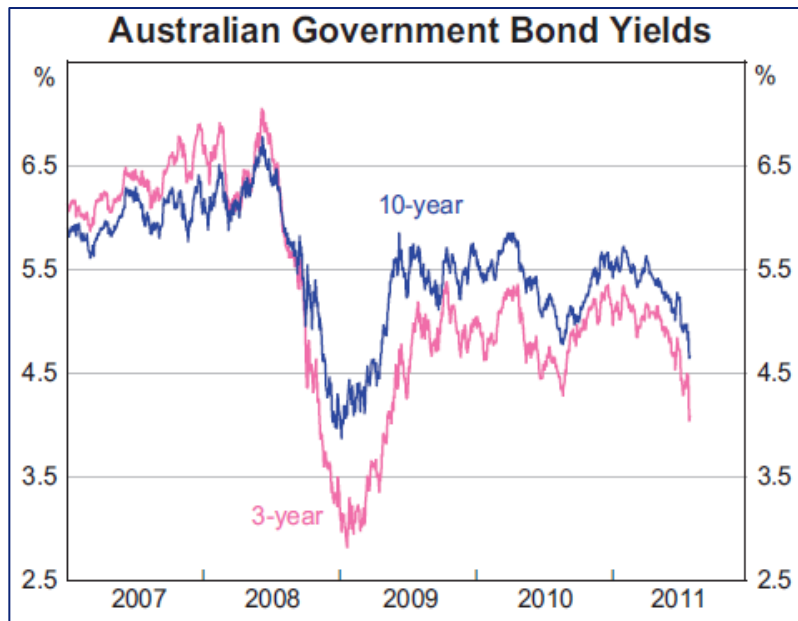
- Share Trading Activity



Source: Australian Securities Exchange

Debt Markets Review

- Cost of funds

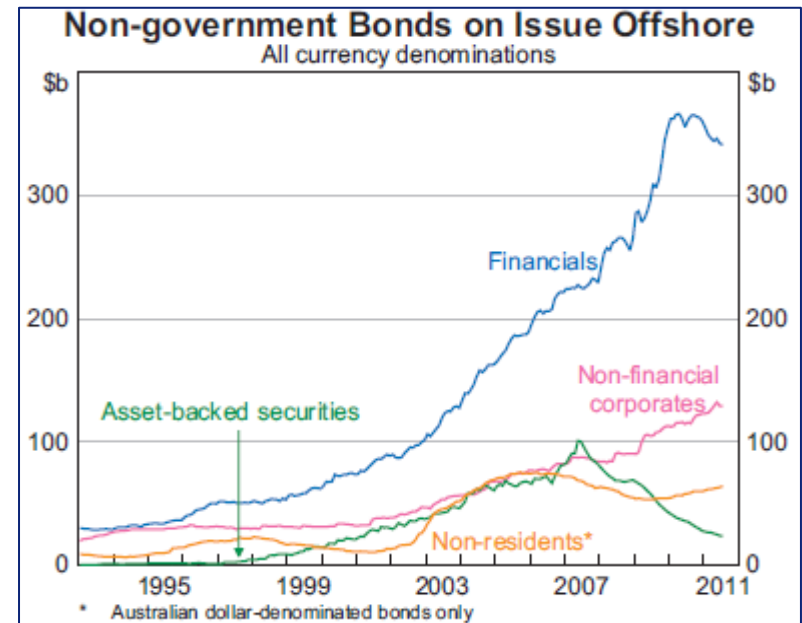
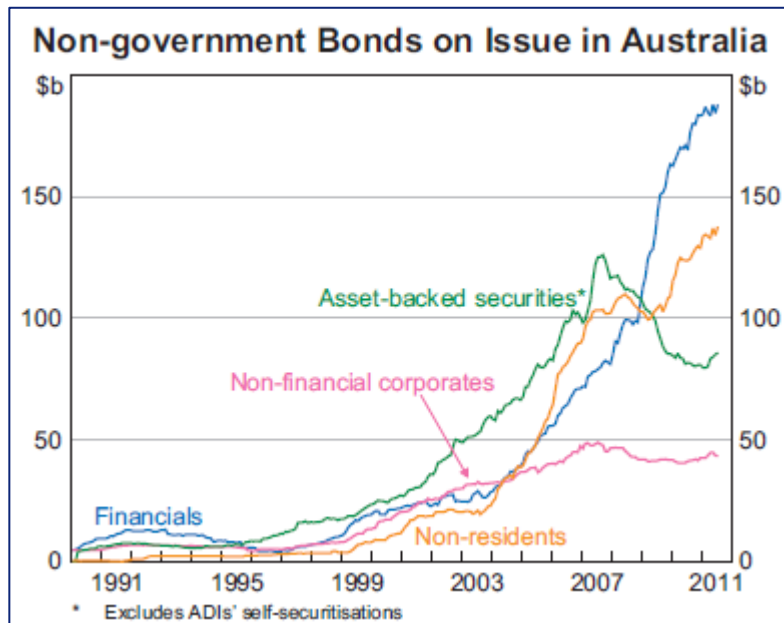


Source: Reserve Bank of Australia



Debt Markets Review

■ Debt Capital Market

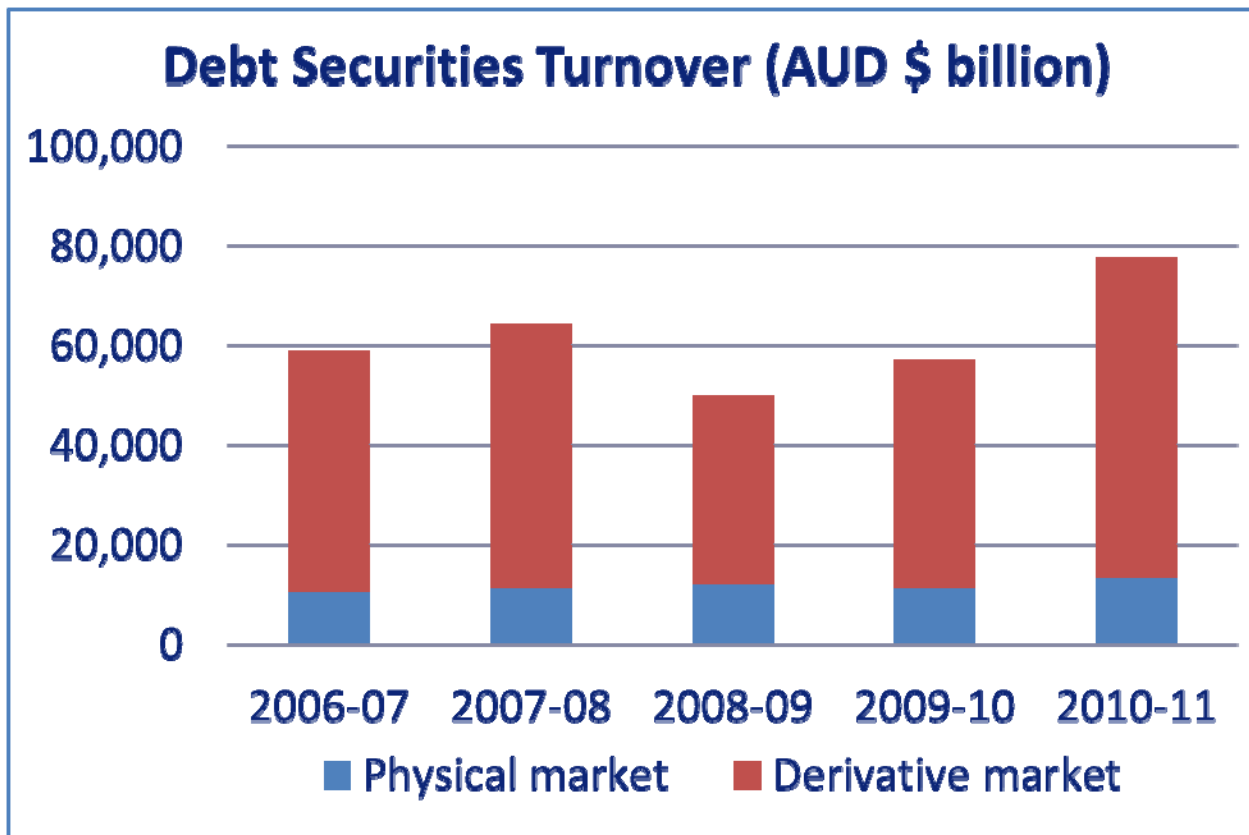


Source: Reserve Bank of Australia



Debt Markets Review

- Debt Market Turnover



Source: Australian Financial Markets Association

Prospects for the Securities Industry

- Transfer of market supervision
- Market consolidation and competition
- Global reform to OTC derivative markets
- Global developments on prudential regulation
- Development of a carbon market

