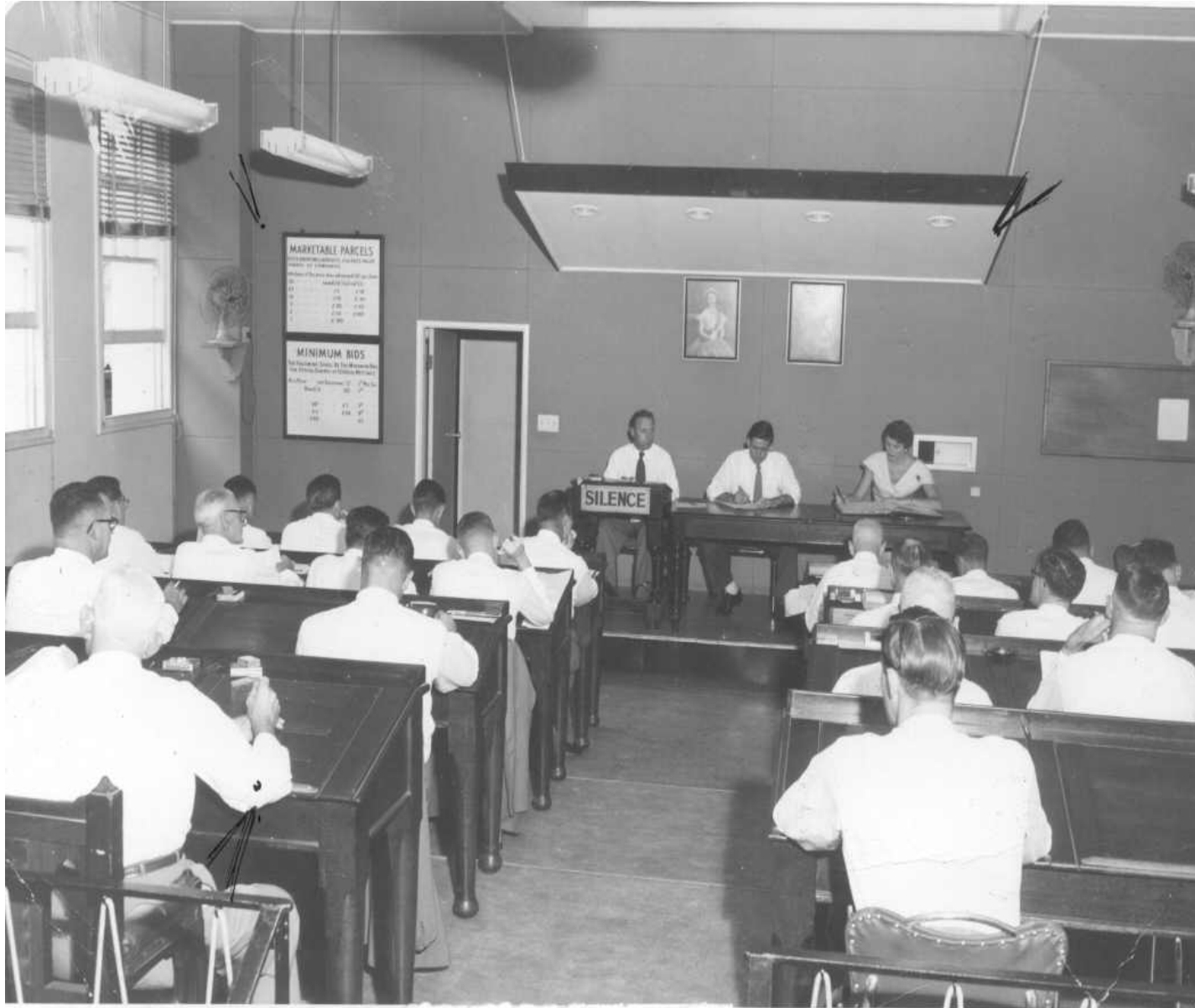


Global Markets and Exchanges: Recent Trends

**Michael Shepherd,
National President, Finsia, and Vice-Chairman, ASX**

25 September 2006

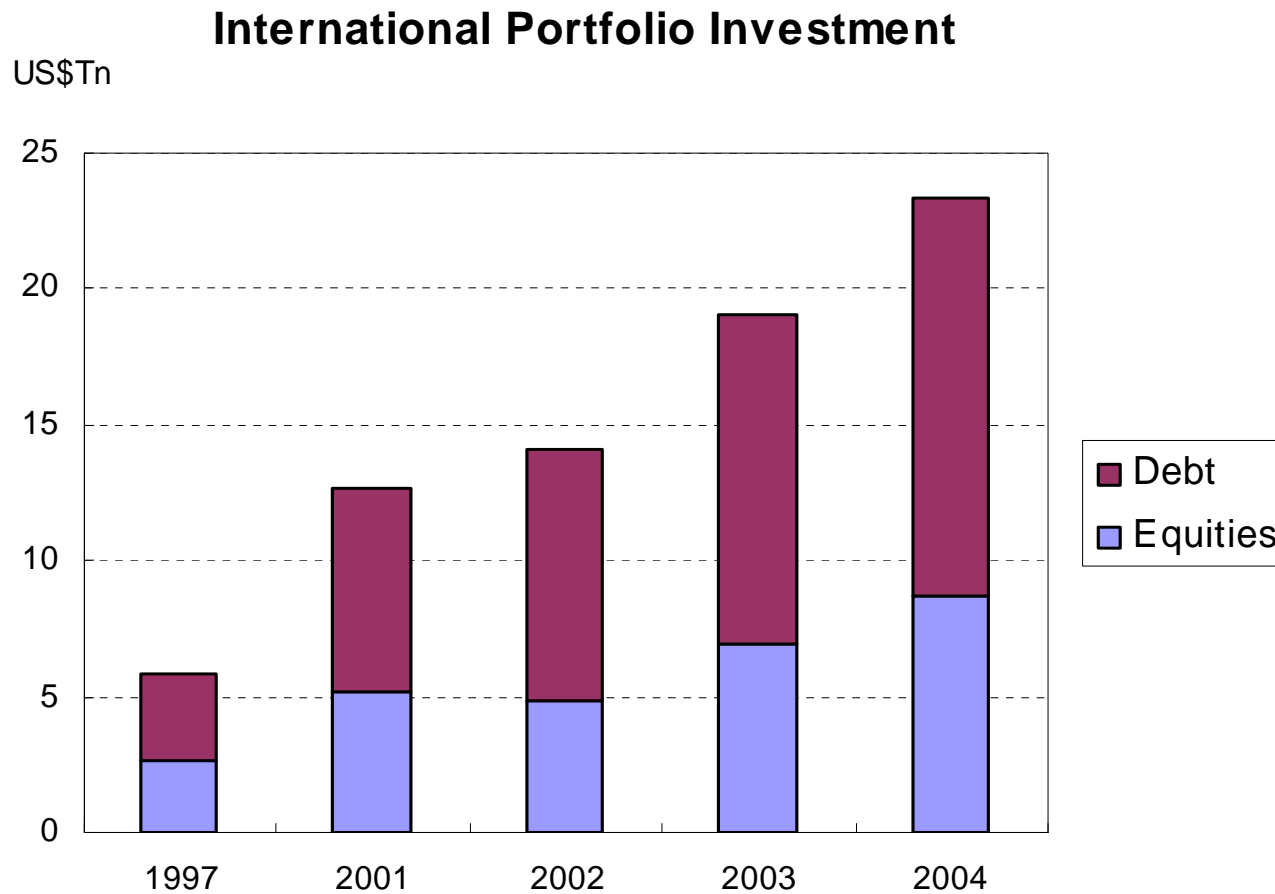
Yesteryear's Exchange Business



'Chalkies' and Open Outcry

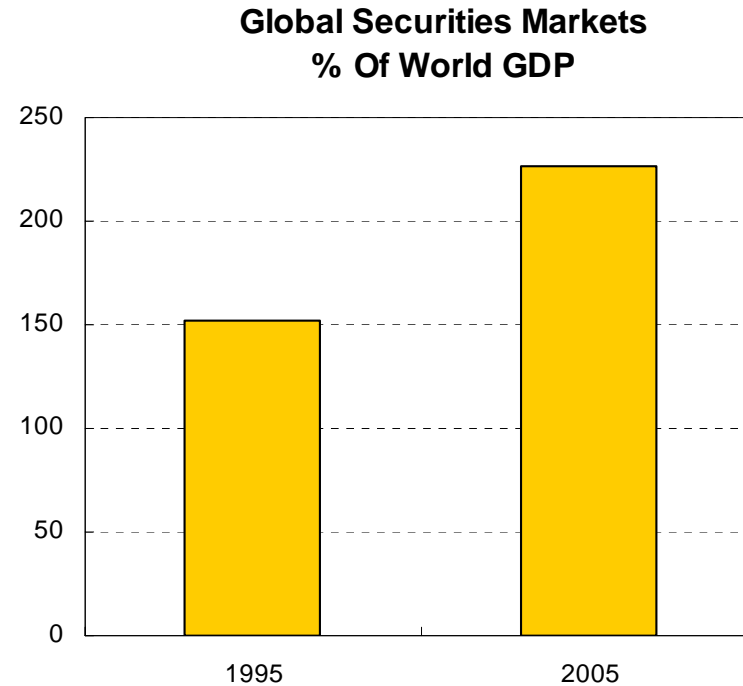
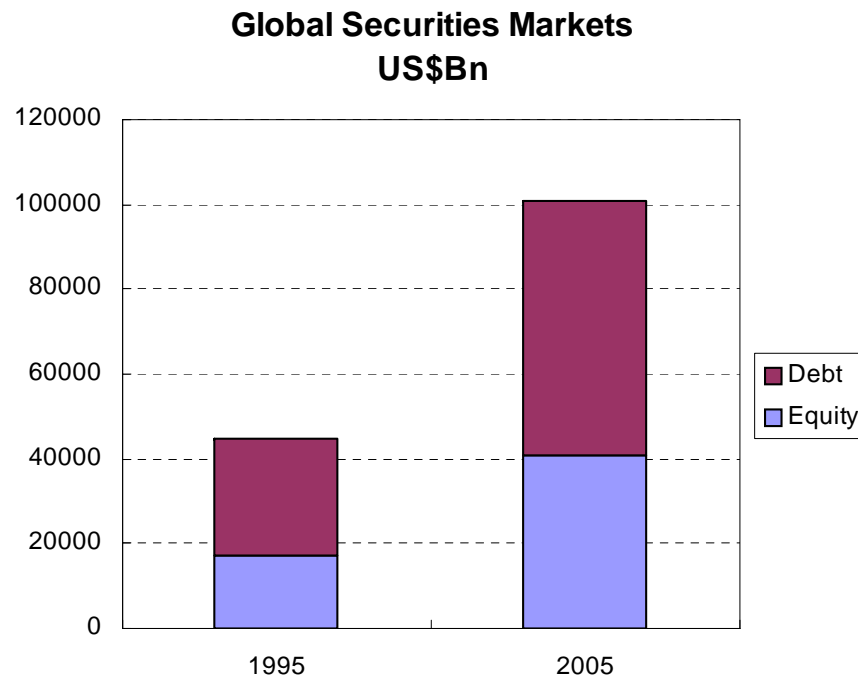


Growing Levels of Global Capital



Source: IMF

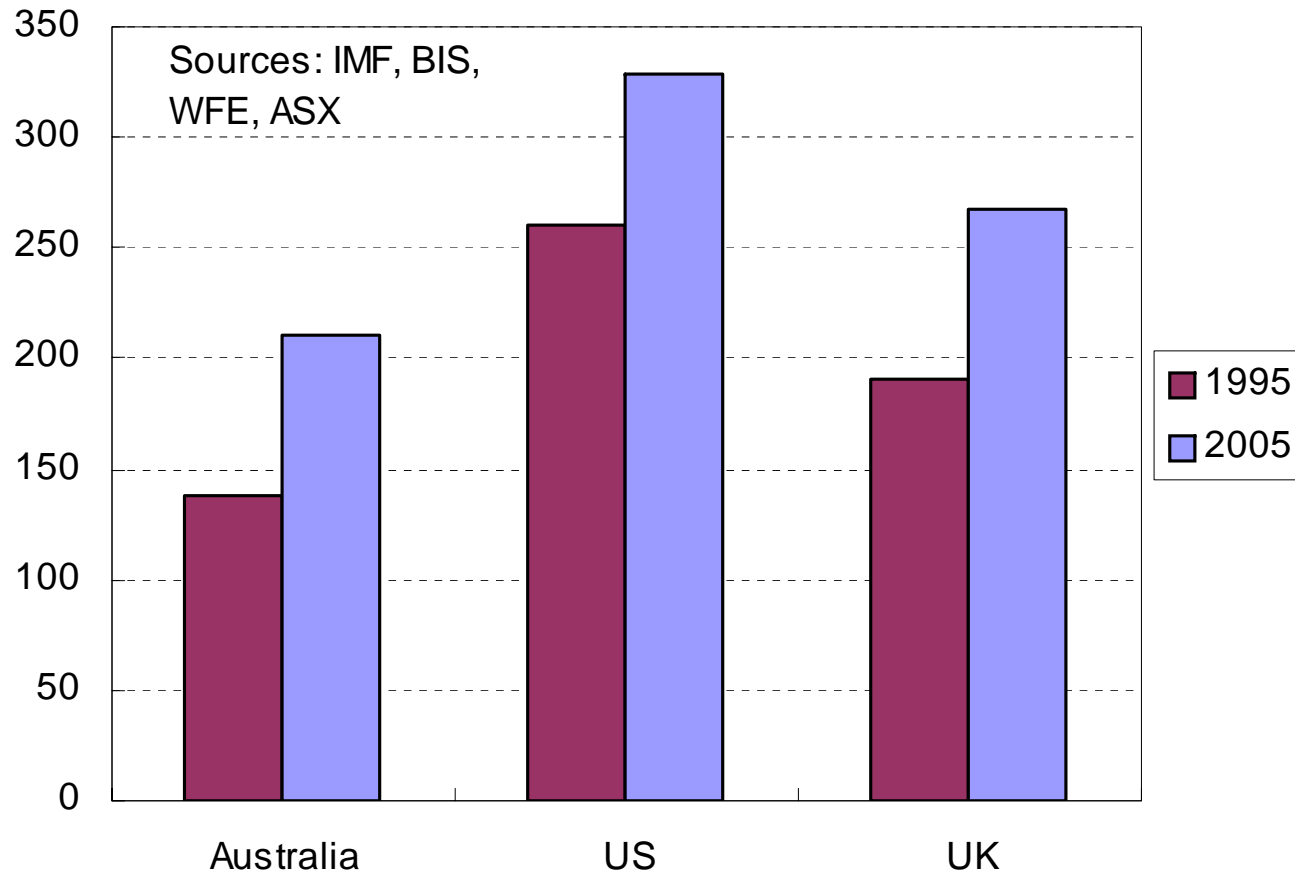
Continued Securities Market Expansion



Source: BIS; WFE; ASX; IMF

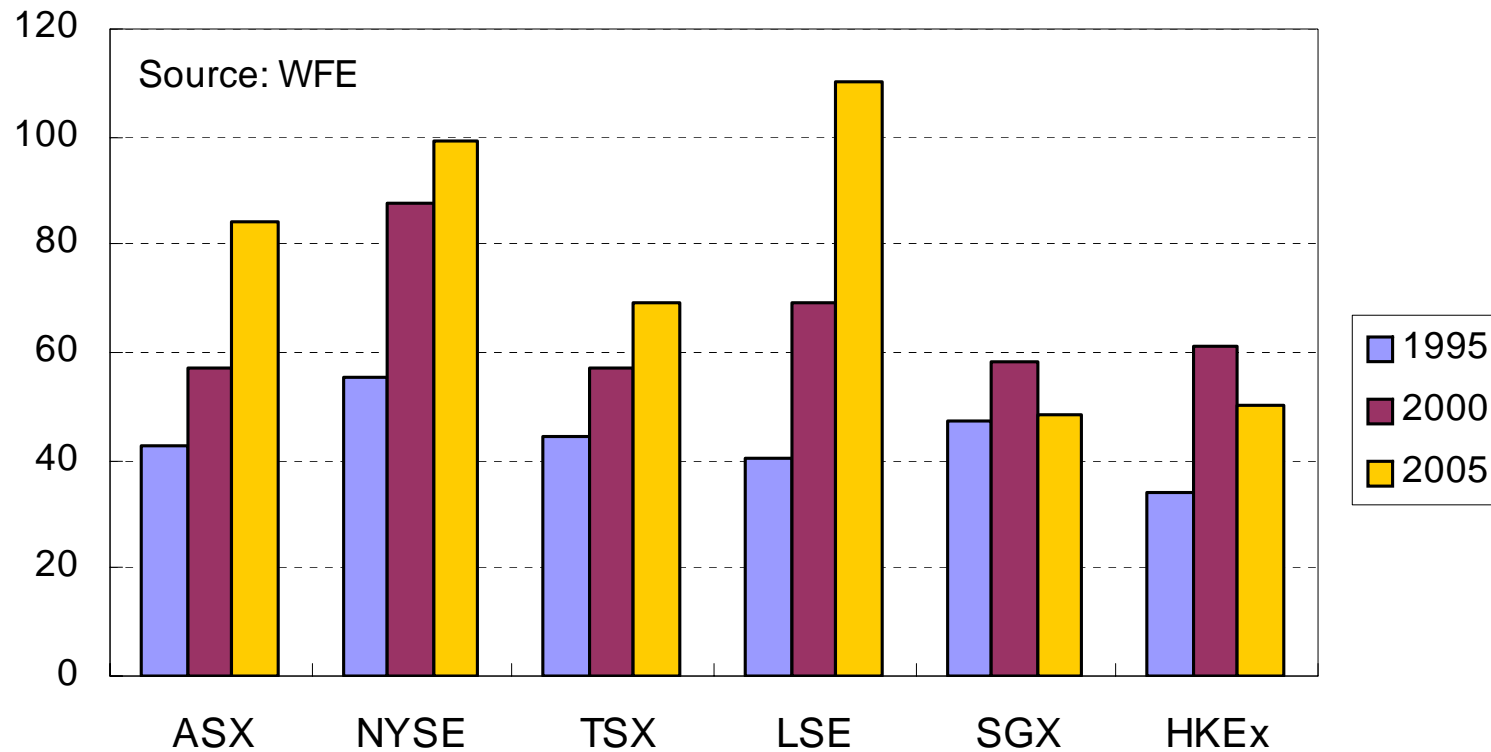
Securities Markets Exceed GDP

**Securities Markets
% Of GDP**



Market Liquidity has Generally Increased

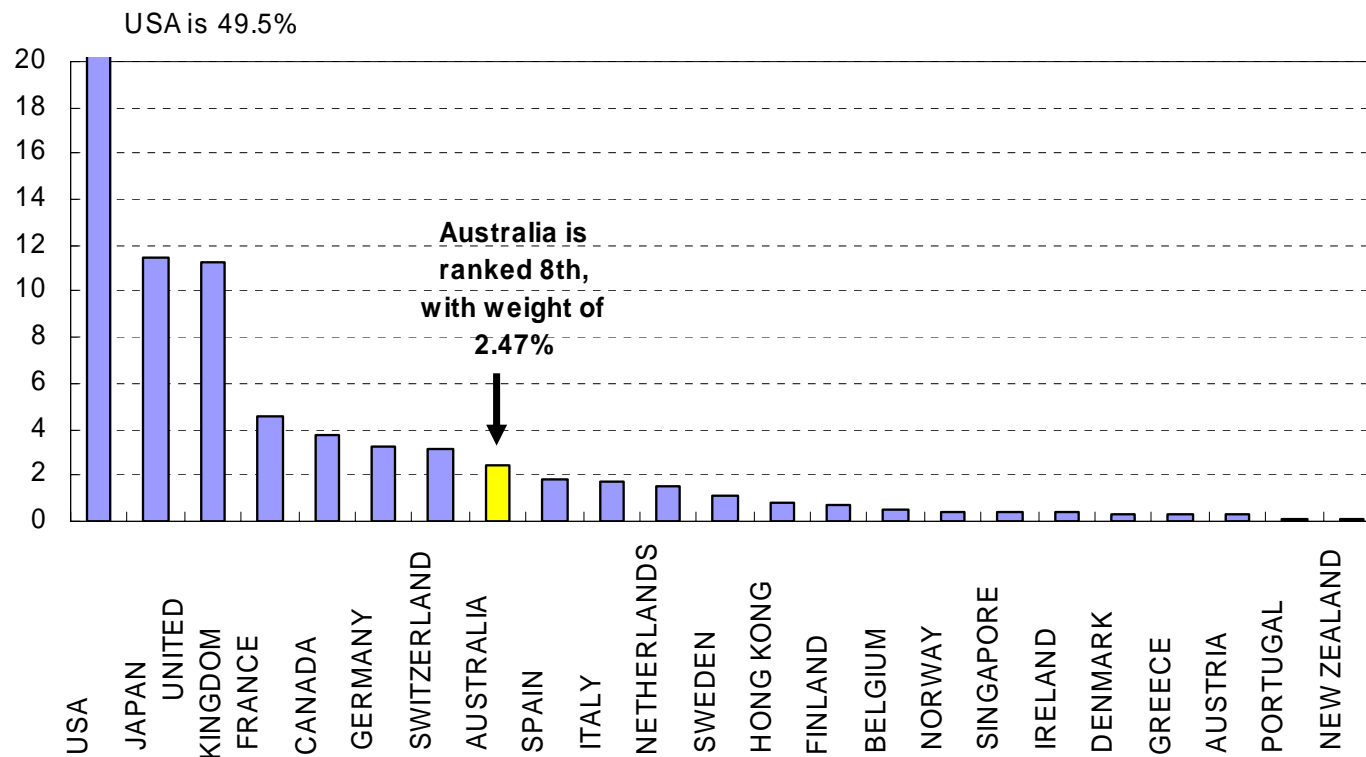
Exchange Liquidity, Domestic Companies, %



Note: Data not directly comparable because of differences in methodology.

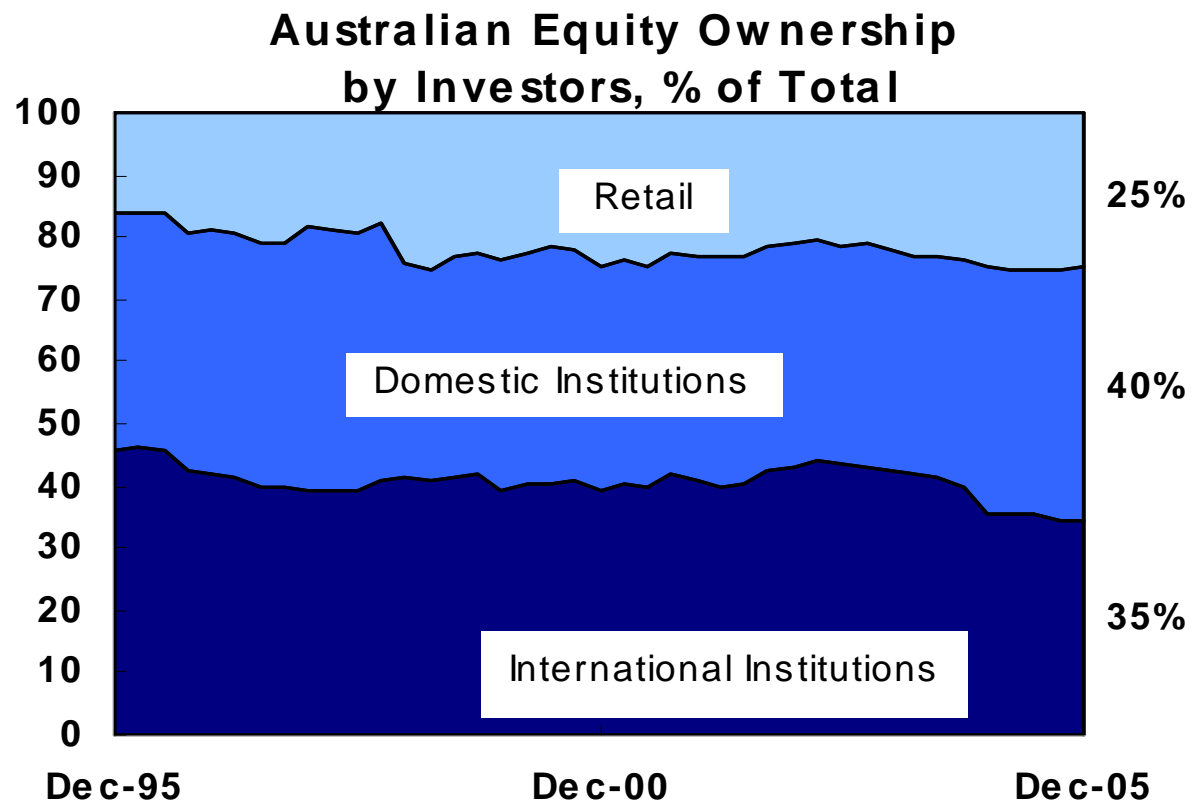
Australia's MSCI Market Weight

**MSCI World Index
Weightings %, 30 June 2006**



Produced with permission of MSCI

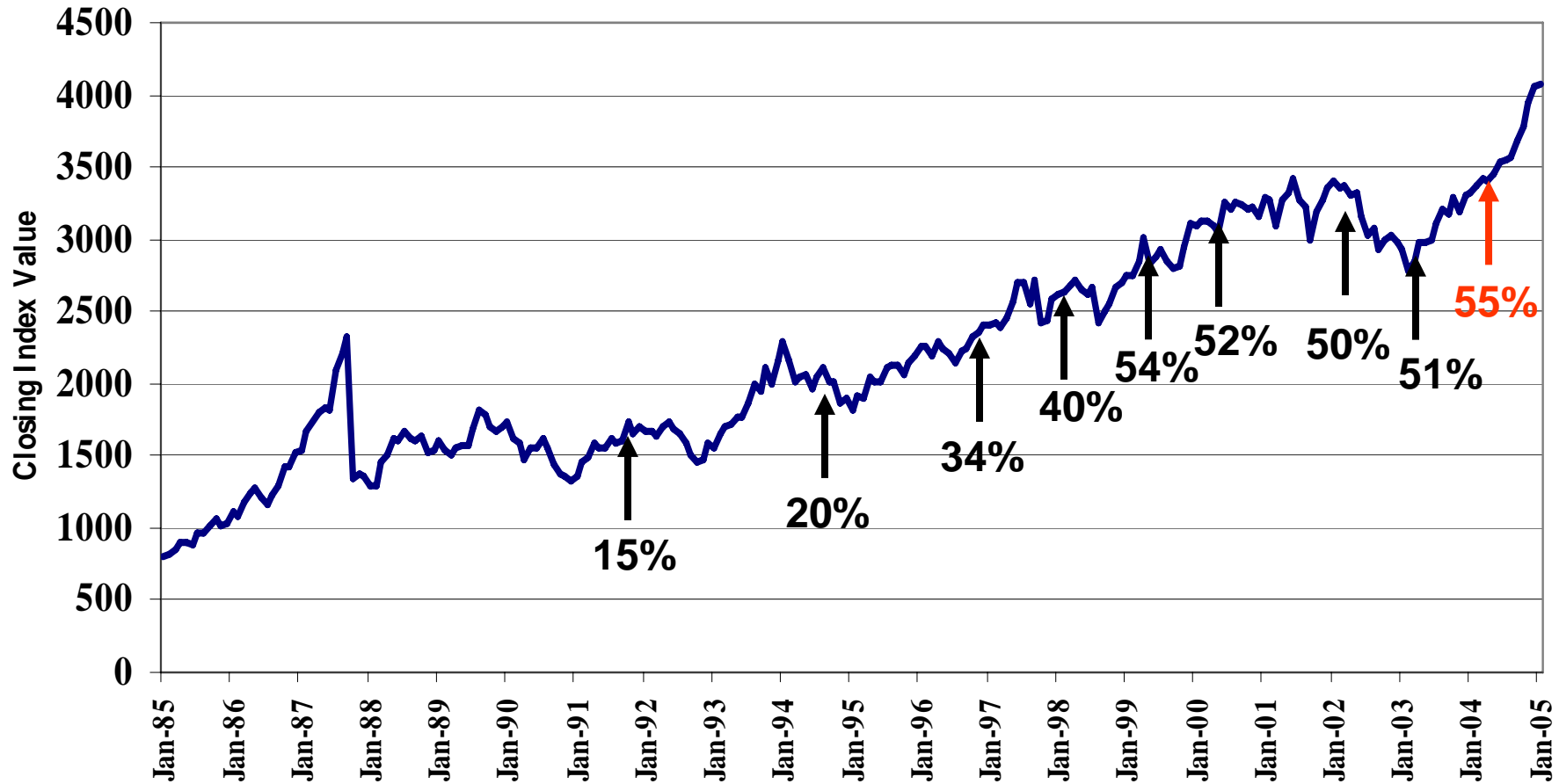
Staying Attractive to Global Capital



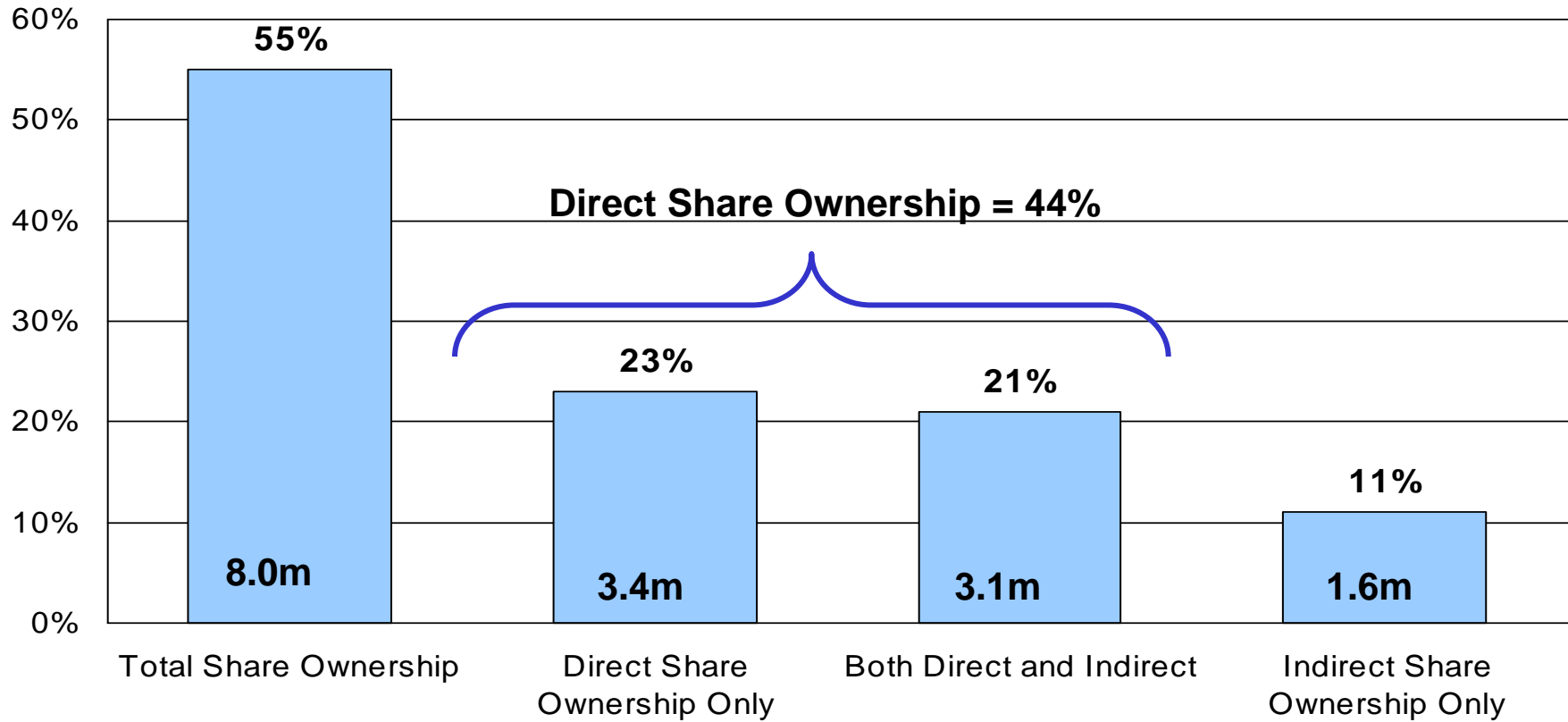
Source: Australian Bureau of Statistics

Growth in Australian Share Ownership

Levels of Total Retail Share Ownership in Comparison with All Ordinaries Index



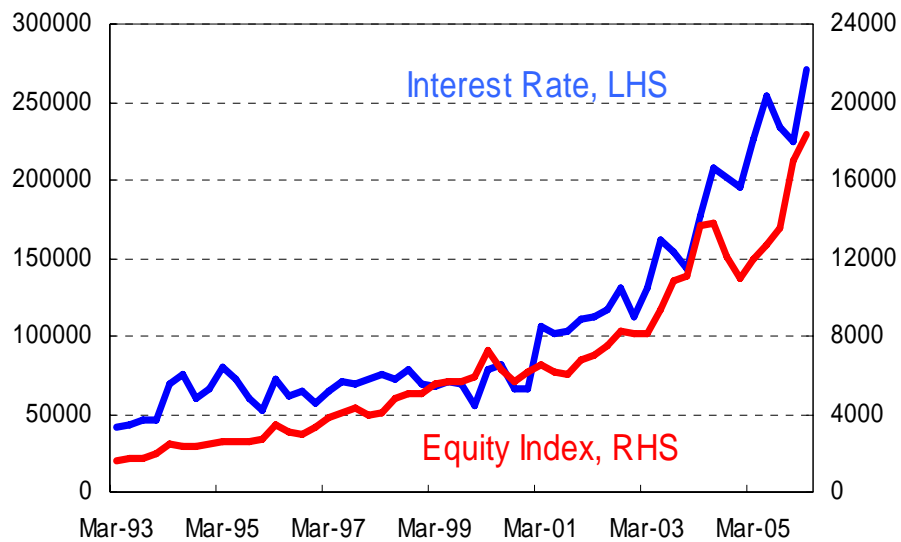
Share Ownership Breakdown



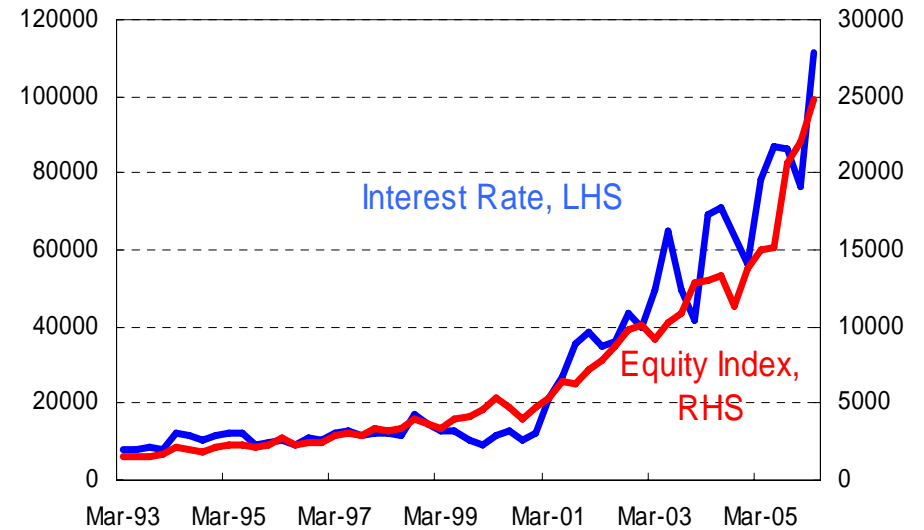
Base: All Australian adults aged 18 years + (n=2,402)

Rapid Growth in Derivatives Turnover

Futures Turnover on Organised Exchanges
Notional Value, US\$Bn, Qrtly

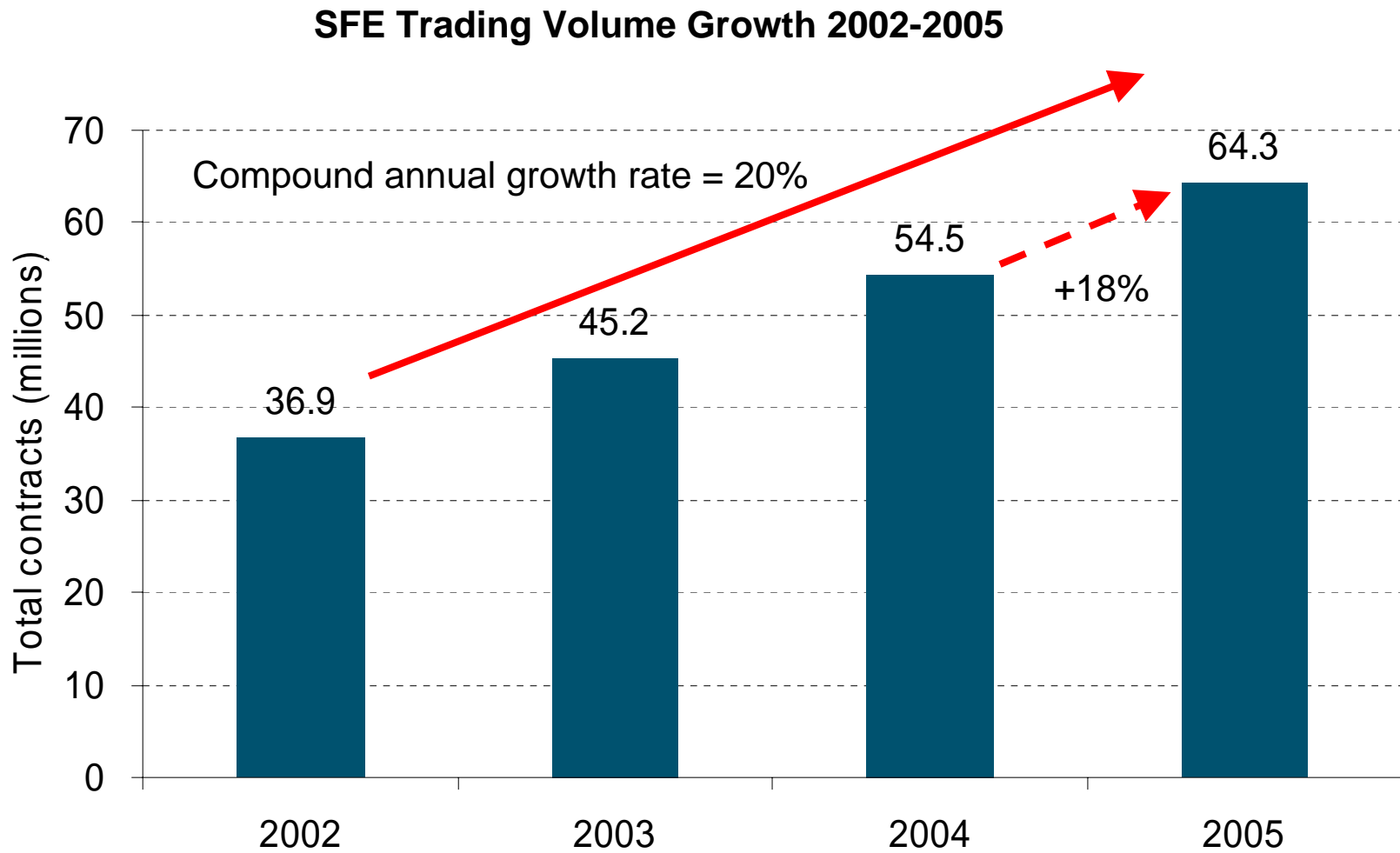


Options Turnover on Organised Exchanges
Notional Value, US\$Bn, Qrtly



Source: BIS

SFE Trading Volume Growth

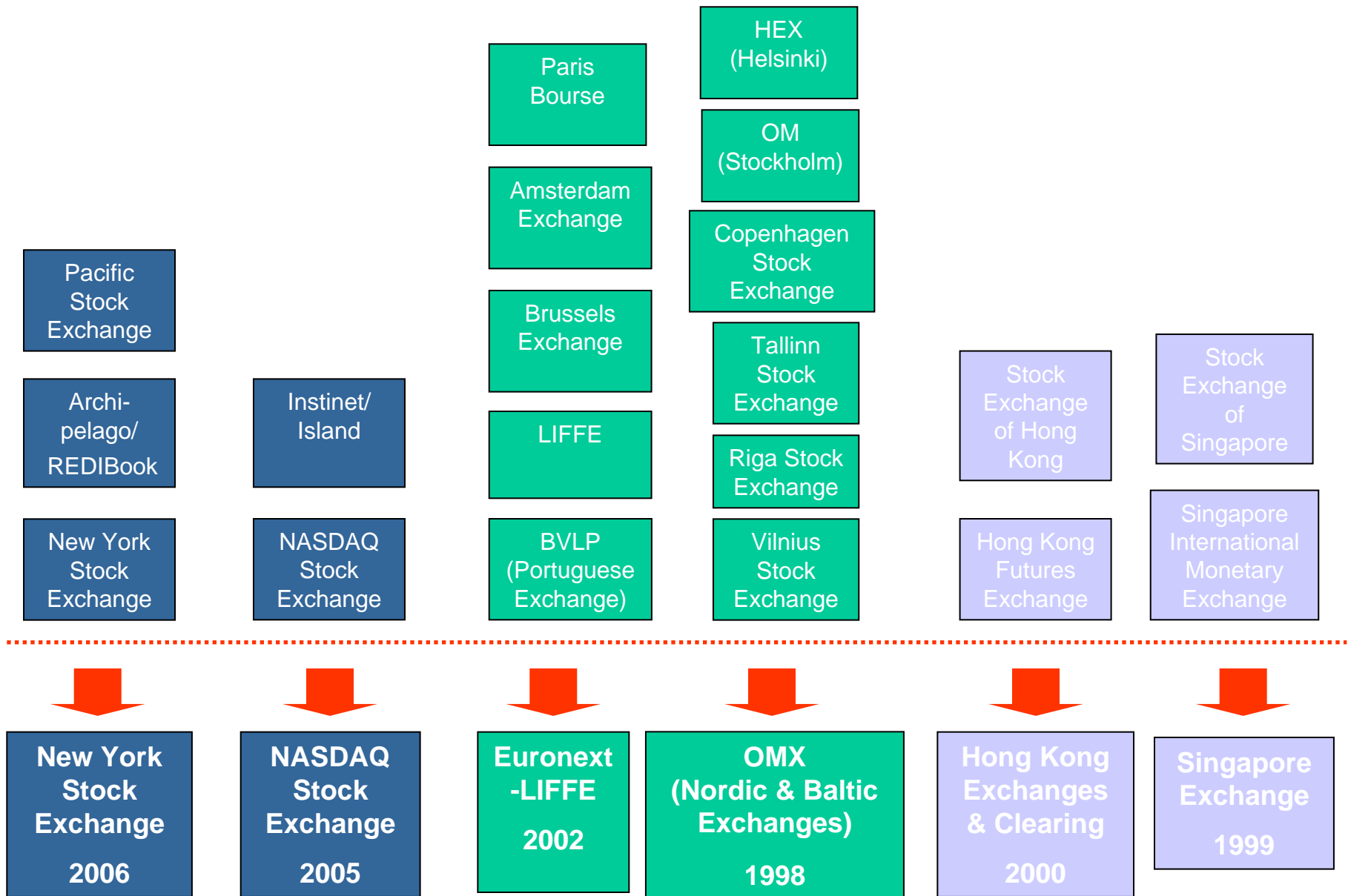


Source: SFE

Today's Exchange Environment

Exchange	Demutualised	Listed	Trading System
ASX	Yes (1998)	Yes	Electronic
BME Spain Exchanges	Yes (formed 2002)	Yes	Electronic + Floor
Borsa Italiana	Yes (1997)	No	Electronic
Deutsche Borse	Yes (formed 1993, listed 2001)	Yes	Electronic + Floor
Euronext	Yes (formed 2000)	Yes	Electronic
HK Exchanges	Yes (2000)	Yes	Electronic (incl Trading Hall)
LSE	Yes (2000)	Yes	Electronic
Nasdaq	Yes (2001)	Yes	Electronic
NYSE	Yes (2006)	Yes	Hybrid + Electronic
OMX	Yes (1993)	Yes	Electronic
Singapore Exchange	Yes (1999)	Yes	Electronic
Swiss Exchange	No (owned by an Association)	No	Electronic
Tokyo Stock Exchange	Yes (2001)	No	Electronic
TSX (Toronto)	Yes (2000)	Yes	Electronic

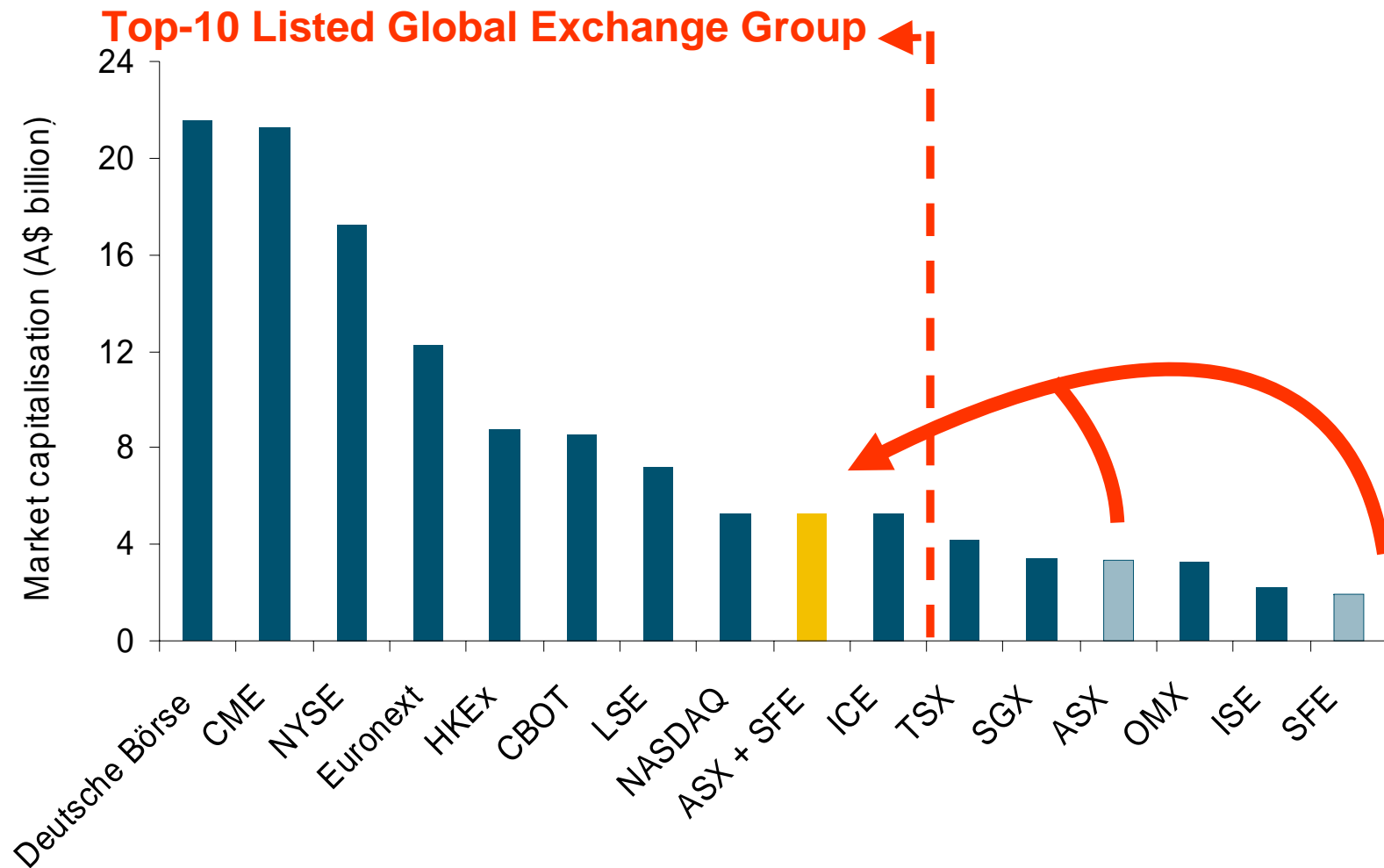
International Exchange Consolidations



Factors Driving Exchange Consolidations

- Technology – back-office synergies, keep technology costs in check;
- Customer demands - ‘one-stop shop’ with a broad suite of products and services;
- Innovation - improved platform for product development and revenue growth;
- Efficiency gains - streamlined compliance, single front-line regulation, integrated trading, clearing and settlement;
- Scale – operational and financial, better positioned to capture global capital flows.

ASX Group Better Positioned Globally



Note: As at March 2006 merger announcement. Source: Datastream; IRESS

What does the future hold ...?

Tomorrow's trends ... ?

Mega or micro exchanges ...

Vertical integration ...

Regulation ...

I'll tell you next year.