



**Commonwealth** Bank

## Media Release

### COMMSEC SLASHES THE COST OF TRADING INTERNATIONAL SHARES

**Thursday, 6 December 2001:** CommSec, Australia's most popular stockbroker, today announced that it will slash the cost of trading international shares to a new low of \$39.90 a trade (Australian dollars).

"CommSec is proud of its reputation for bringing domestic share ownership within reach of all Australians", said CommSec Director, Paul Rickard. "Now we're doing the same thing with international shares".

The new price takes effect from Monday 10 December. It is available to all clients with an International Share Trading account, and applies to both Internet and phone trades.

"We've always aimed to make share trading easy, accessible, and affordable", said Mr Rickard. "But now, for the first time, Australians can trade international shares for a similar price to local shares. Which means it's as easy to invest in Microsoft or General Electric as it is in Woolworths. So now anyone can diversify their investments by including international shares in their portfolio."

CommSec has led the industry in making share trading accessible. The company initially launched its Australian share service in 1995 with a competitive \$75 a trade, before introducing \$50 trades in 1996. They were followed by \$29 online trades in 1998, and \$14.95 online trades in April 2000.

The efficiencies of the Internet, together with CommSec's unrivalled client base, have made these cost reductions possible. "CommSec is Australia's most popular stockbroker, with over 700,000 clients", said Mr Rickard. "That enables us to leverage economies of scale and deliver real savings to our clients."

CommSec's growth has coincided with the emergence of a new breed of Australian investor. According to the ASX, Australia has the highest proportion of share-owners in the world, with 40% of the adult population directly owning shares. However, comparatively few Australians have taken advantage of the opportunities offered by overseas sharemarkets.

"Australia represents only 1.4% of the world's capital markets", commented Mr Rickard. "Compare that to the United States, which makes up over 50% of the world's markets. The top five US companies alone have a market capitalisation more than three-and-a-half times the value of the entire Australian sharemarket. And that's just five companies."

CommSec clients can trade on a range of major international exchanges, including the New York Stock Exchange, NASDAQ, the American Stock Exchange, the London Stock Exchange, the Toronto Stock Exchange, and the Hong Kong Stock Exchange. The company's Internet site at [commsec.com.au](http://commsec.com.au) provides clients with a

range of information on overseas markets, including company profiles, market news, company news, price charts, and watchlists.

“By investing overseas, clients can access to highly performing sectors such as pharmaceuticals, biotechnology and defence, which are either poorly represented in Australia or don’t exist here at all”, added Mr Rickard.

“And you don’t have to be an expert stock-picker to invest successfully. Overseas markets offer a variety of structured equity products that investors can use to buy a stake in what amounts to a ready-made, diversified portfolio.”

The US market in particular boasts a wide range of exchange-traded funds (ETFs), investment funds whose units can be bought and sold on a stock exchange, just like shares. Some of the most important ETFs are index funds, tracking a sector or market index such as the Dow Jones Industrial Average or S&P 500.

“ETFs are an enormously popular investment vehicle in the US”, commented Mr Rickard. “It’s a bit like owning shares in the index itself.”

“Overseas markets offer enormous opportunities to investors”, he concluded. “Now those opportunities are available to all Australians”.

*CommSec brokerage rates for international share trading*

	<b>Old price</b>	<b>New price</b>
Transactions up to \$10,000	\$109.00	\$39.90
Transactions over \$10,000	1.09%	0.4%

Prices are in **Australian** dollars and include GST. An annual service fee of \$144 applies to International Share Trading accounts.

International share trading involves different risks and market practices to Australian share trading. For that reason, a separate International Share Trading account is required. Full details are included in the application pack.

**ENDS**