

Oz Treasurer Rejects ASX Acquisition bid by Singapore

by stan *Thursday, Apr 7 2011, 9:05pm*

international / imperialism / commentary

In a very rare display of SOVEREIGN SPIRIT these days -- contrast Gillard's disgraceful American speech/suck - the Oz Treasurer, Wayne Swan, rejected foreign attempts to acquire the local Stock Exchange citing that the deal was NOT in Australia's best interests - well, Doh!



Wayne Swan

The Treasurer was careful not to mention that Singapore is essentially a socially oppressive DICTATORSHIP run by the Lee family and has a barbaric human rights record - the recent EXECUTION of an Australian citizen (on drug charges) by the Singapore Government bears testimony to the FACT!

However, the attempted acquisition was essentially another attempt by Globalists to CENTRALISE MARKETS and consolidate elite control of the world's economy via the so-called, 'free' exchange markets of the world.

We wish the racist, barbaric Lee family the best of 'British luck' in their next bid.

Report from Reuters follows:

Australia says reforms needed before ASX can be 'taken' [Note the wording of this title!]

by Michael Smith and Rob Taylor

(Reuters) - Australia's government formally rejected Singapore Exchange's (SGXL.SI) \$8 billion bid for Australia's ASX Ltd (ASX.AX) on Friday, saying major reform of the nation's financial system was required before the ASX could be bought by a foreign bidder.

Treasurer Wayne Swan said the deal would have diminished Australia's economic and regulatory sovereignty, presented material risks and supervisory issues due to the ASX's dominance over clearing and settlement, and failed to boost access to capital for Australian businesses.

"It's not the right deal for Australia if we want to enhance our links into global capital markets. It's not the right deal for Australia if we want to grow our role as a financial services hub in Asia," Swan told reporters.

Exchanges around the world are chasing cross-border deals to build scale and cut costs amid increasing competition from dark pools. The Tokyo and Osaka exchanges are in talks, Deutsche Boerse (DB1Gn.DE) is competing with a partnership of Nasdaq OMX Group (NDAQ.O) and Intercontinental Exchange (ICE.N) to buy NYSE Euronext (NYSE.N), and London Stock Exchange (LSE.L) is looking to combine with Canada's TMX Group (X.TO).

With concerns focused on clearing and settlement issues, Swan also flagged an overhaul of the country's financial systems which analysts said could result in the ASX being forced to spin-off some systems.

"A lot of exchanges across the world do not own the clearing and settlement systems. There is a lot of speculation about the need for the Australian government to step in, in times of crisis. Apparently the government does not have that ability now," said Mark Nathan, portfolio manager at Arnhem Investment Management

Swan said he was concerned Australian capital and jobs would move to Singapore under the deal, and rejected suggestions the deal would provide a gateway to Asian capital flows.

However, he said Australia was not closed to other offers, provided reforms to clearing and settlement systems were carried out.

"I remain open to the right deal for Australia if it comes along. And that is of course why I have asked the council of Australian regulators to advise me on how we can continue to ensure the strength and stability of Australia's financial system if there was a fresh application."

Investors had considered the deal all but dead after the government said earlier in the week it was inclined to reject the bid. SGX had said it had no current plans to amend its offer but submitted additional information to FIRB on Thursday.

It was the first time the Australia government has rejected a major foreign takeover on national interest grounds since 2001 when Royal Dutch Shell's bid for Woodside Petroleum (WPL.AX) was blocked.

The ASX said in a statement it still wanted to join the stock exchange consolidation sweeping the globe and would work with the government on any reform process.

Swan defended the decision, which sparked criticism from business leaders and many commentators in Australia, saying the country was still open for business.

Financial regulators would establish a working group to look at reforming financial markets infrastructure. Swan was concerned the ASX was the sole operator of the nation's clearing and settlement systems.

Swan said he would not oppose future deals if they protected Australia's financial

architecture, built the country's standing as a financial services center in Asia, boosted access to capital for Australian businesses and supported growth in high-quality financial services jobs.

SGX had rallied as much as 6 percent after Tuesday's news that the deal will be rejected and extended gains on Wednesday.

(Additional reporting by Narayanan Somasundaram; Editing by Balazs Koranyi)

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