SFE BULLETIN

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Effective Date: **19 June 2001**

PRE-DEFINED RATIOS IN 90 DAY BANK BILL/ THREE YEAR TREASURY BOND INTER-COMMODITY AND STRIP TRADE FACILITY

The introduction of the Three Year and Ten Year Treasury Bond contracts with a 6% coupon has resulted in a change in the tick values of these contracts. This has necessitated an adjustment to the pre-defined ratios for the IRYT Inter-commodity product and the Strip Trade facility.

As of the effective date the IRYT Inter-commodity spread will trade at a ratio determined by the following equation.

YTU1 tick value at 9460	=	$27.63
IRU1 tick value at 9508	=	$24.07
10 X $24.07 (IR tick value)	=	$240.70
divided by $27.63 (YT tick value)	=	8.712
rounded	=	9

Therefore, using a Three Year Treasury Bond price of 9460 and a 90 Day Bank Bill spot price of 9508 generates an IRYT Inter-commodity ratio of 10:9. The Strip Trade facility will trade at the same defined ratio as the IRYT Inter-commodity spread.

As a consequence the minimum available quantity for an IRYT Inter-commodity spread will be 10 IR contracts by 9 YT contacts.

This adjustment will allow a more accurate hedge for 90 Day Bank Bill, Three Year Treasury Bond spread trades. The IRYT ratio will be calculated daily as for all other Inter-commodity spreads.

Please note that where an Inter-commodity spread market is available, Inter-commodity trades may not take place on the Custom Market.

INTEREST RATE AND EQUITY OPTION SETTLEMENT

Please be advised that commencing trade date 18 June 2001, SFE will begin the migration of Interest-rate and Equity Option settlement onto SYCOM®. The effect will be the display of interim and final settlement price via the SYCOM® market pages. It is envisaged that this change will optimise the dissemination of option settlement prices in a more timely manner. The proposed timetable for the migration of Interest-rate and Equity Option products is as follows:

90 Day Bank Bills	18 June 2001
Three and Ten Year Treasury Bonds	25 June 2001
Equity Index Options	2 July 2001

ONO EXPIRY PRICES

Further to Circular 50/01, effective trade date 18 June 2001, all ONO products will settle via a trade weighted algorithm.

Should you have any queries please contact David Raper, Deputy Manager Trading Operations on 9256-0554 or draper@sfe.com.au

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