



Screen Dealing Bulletin No: 20/02

From: SFE Corporation Limited ABN 74 000 299 392

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QUARTERLY ROLL

Following enquiries from Participants requesting information regarding compliance and queue position in the debt quarterly roll, the SFE is re-releasing the optimal settings for workstations detailed in the Screen Dealing Bulletin 24/01. Analysis since June 2001 has further confirmed that instigating the practices detailed below optimises machine performance.

Furthermore, to assist Participants in trading the roll, the SFE has outlined a set of requirements that should be adhered to when accepting and subsequently entering orders on behalf of clients.

To assist Participants, these have been categorised as follows:

Section 1 - System optimisation
Section 2 - Trading compliance

It should be noted that the implementation of these guidelines in Section 1 remain at the discretion of the Participant and furthermore, should be carefully assessed in line with internal risk management, controls and processes.

SECTION 1 - SYSTEM OPTIMISATION

Set out below is a list of suggestions and procedures which could potentially optimise the various methods of order entry and assist in managing system resources during the roll period. These can be categorised as follows:

- Hardware/ configuration settings
- Windows
- Order entry configuration (only applicable to SYCOM trader workstations)

S F E B U L L E T I N C O N T I N U E D

Hardware/ configuration settings

- Participants are advised that analysis over the last 18 months has indicated that roll queue performance favours the Compaq Desk-pro 667 PIII machines. If Participants require further clarification in identifying the 667 workstation model, please refer to contact below.
- Participants should ensure that the colour settings and display fonts are set to 256 colours and a screen resolution of 800 x 600 respectively. Please refer to Attachment 1 for instructions and display format.
- As a standard procedure, Participants should ensure that workstations are routinely powered down on a weekly basis. Failure to comply with this procedure will lead to performance degradation. It should be noted that when a workstation is re-booted, this will lead to increased message traffic over the network link which is otherwise reserved for trading, Participants should manage this process in order to avoid a deterioration of the network service, e.g. perform outside trading hours. Please see Attachment 2 for instructions.

Windows

- It is important to note that workstation performance can be optimised by effectively managing system resources. Therefore in order to minimise the amount of system overheads, it is recommended that, where possible, users reduce the number of open windows. An application of this form of resource management would be to only display the window required for order entry during the roll period.

Order entry configuration

- Included below are some of the available methods for order entry release:
- Release of single strategy. Please see Attachment 3
- Release of single order. Please see Attachment 4
- Mass release strategy. Please see Attachment 5

Speed Release

- By holding down the Enter key on the keyboard whilst attempting to release a single strategy or a single order prior to the market open, this function will trigger a keyboard repeat until such time the enter key is released of the order has been entered into the market successfully. Please note that this is a non-standard use of this functionality. Please see Attachment 6 for example.
- To further increase efficiency whilst attempting to release an order/ strategy, a user can remove confirmation checks to reduce the amount of time taken to release an order to the market. However this practise should only be considered after detailed consultation with Participants internal risk management procedures. Please see Attachment 7 for example.

S F E B U L L E T I N C O N T I N U E D

SECTION 2 - TRADING COMPLIANCE

Participants should be aware of the following requirements when accepting and subsequently entering roll orders into SYCOM on behalf of clients:

- Orders can only be entered in accordance with client instructions. Therefore, orders cannot be duplicated and entered from separate workstations in an attempt to gain a favourable queue position.
- A client must be prepared to accept the entire volume of orders placed. If a client instructs a broker to duplicate orders on the understanding that he only requires part of this volume then the broker should refuse the request on the basis that it is a breach of the Rules and misleading to available volume.
- If a client instructs a Trader to enter an order in the roll and informs the Trader that he has the same order or similar orders placed with other Brokers with the intent of gaining a favourable queue position, the Trader should instruct the client that in the event of the order being executed, he will be obliged to accept the execution.
- Broking queue position is a breach of the rules. A Trader must not enter an order with a view to offering that queue position to clients.
- Order promotion within the queue is a breach of the Rules. If an order is cancelled or reduced then that order must be adjusted accordingly within the system. It is a breach to offer a recently cancelled queue position to other clients, or promote existing clients in the queue to take up a recently vacated higher queue position. This would put the clients of the broker in question at an advantage to the rest of the market
- It is not a breach of the Rules to 'leg' the roll, however, Traders who do so will be exposed to legging risk. Further, all rules must still be complied with, for instance, debt futures orders must not be withheld to cross and Traders must not disadvantage their clients by legging the roll.

This document serves to provide Participants with a set of guidelines to assist in managing the quarterly roll, and furthermore, to ensure markets are conducted in the best interest of a fair and orderly market.

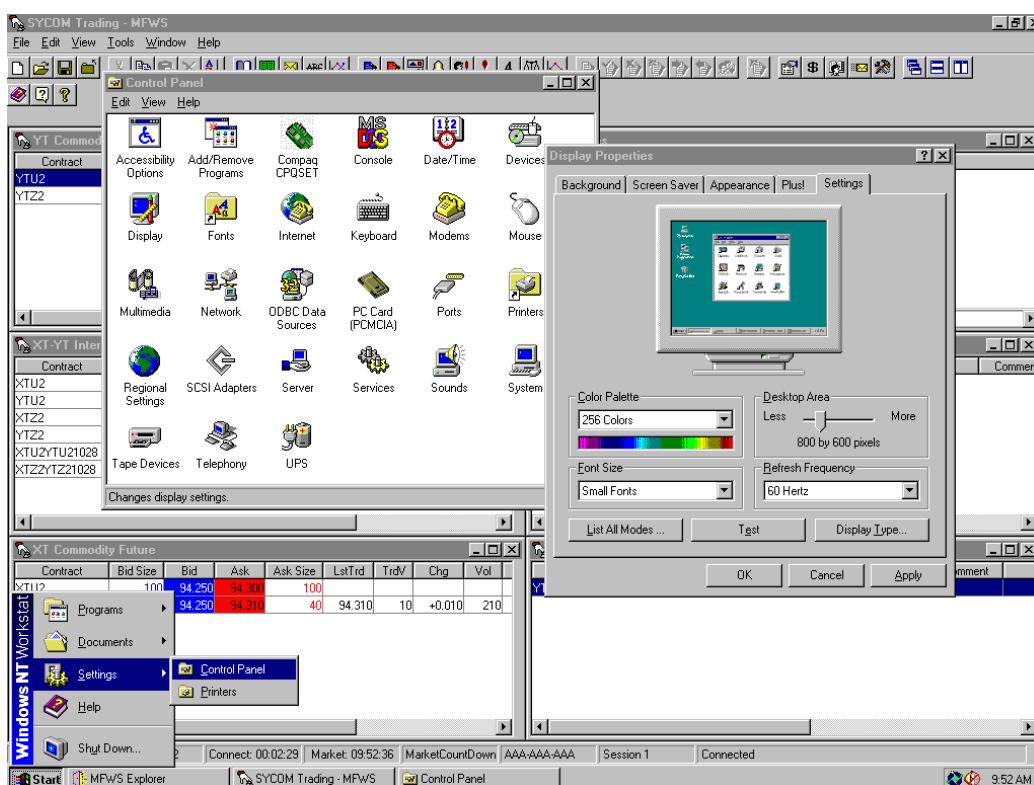
Should you require assistance in the above or have any queries please contact Andrew Couper on 9256-0677 or acouper@sfe.com.au



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Attachment 1: DISPLAY SETTINGS



To access the menu to change system settings such as Fonts and Pixel size you need to access the 'Display Properties' menu which can be located by following the steps outlined below;

1. Select 'Start' from the bottom left-hand corner of the Sycom® screen
2. Then highlight 'Settings' which can be found just above the 'Start' button
3. Move the arrow across to 'Control Panel' once it appears.
4. Once the above panel is highlighted, select it by clicking the Left mouse button once.
5. The above procedure will open up the 'Control Panel' window which you then need to select the 'Display' icon.
6. Once this is selected the 'Display Properties' menu will appear which you then need to go to the 'Settings' tab located on the far top right.

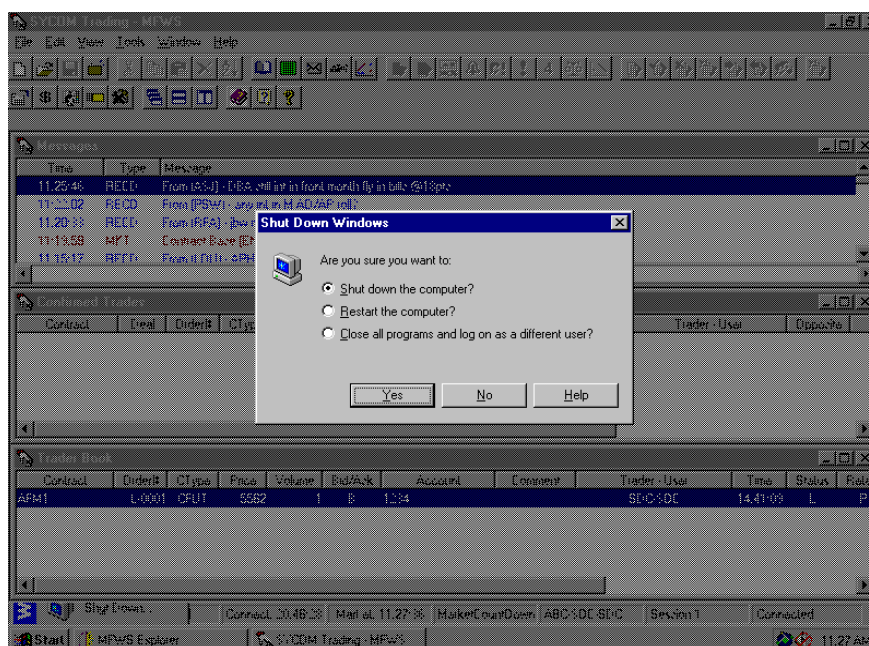
Colour Palette is one of the options that can be changed to enhance the speed of order release, etc. Selecting the down arrow in this section and choosing 256 Colours out of the possible four available can do this.

Desktop Area is the other option that can be changed to enhance the performance of the Sycom® terminal. To select **800 by 600** in the 'Desktop Area' section is by sliding the gauge from left to right until 800 by 600 is selected.

After changing any of the above settings, the user must 'Apply' the changes which can be found in the bottom right-hand corner of this window and then select OK which will close the window. The user is then able to access the Sycom® trading platform again as usual.

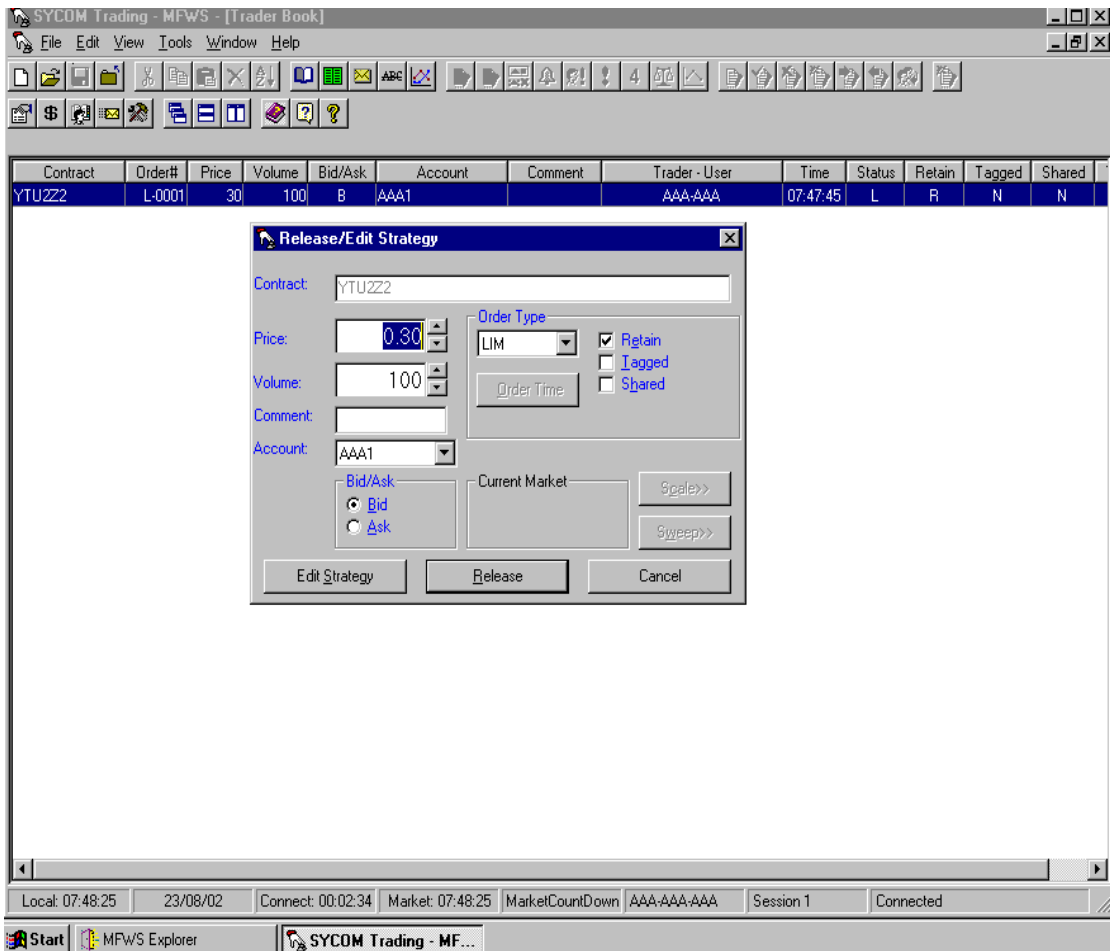
Attachment 2:

WORKSTATION POWER DOWN



To successfully Shutdown the workstation, the following procedure needs to be followed;

1. Select 'Start' from the bottom left-hand corner of the Sycom® screen
2. Select 'Shutdown' which is just above the 'Start' button
3. After selecting 'Shutdown' a box will appear in the middle of your Sycom® screen as illustrated above
4. Select 'Shut down computer'.
5. The user will be prompted by a message 'It is now safe to turn off the computer'. The user can now switch off the machine. It is recommend that the workstation remain switched off for approximately 2 to 3 minutes prior to powering up.



The following configuration is an example of a Strategy Release from the Trader book.

1. To access the Trader book, select View > Trader book
2. To select Strategy window, highlight Strategy and select F3
3. To release Strategy, press Enter key
4. *To initiate keyboard repeat, hold down Enter key until order is successfully entered into the market

* Please note that this procedure is a non-standard use of functionality.

Attachment 4

SINGLE ORDER RELEASE

The screenshot shows the SYCOM Trading - MFWS - [XT-YT Inter-Instrument Spread] window. The main window displays a table of market data for various contracts. The table has columns: Contract, Bid Size, Bid, Ask, Ask Size, LstTrd, TrdV, Chg, Vol, Open, Hi, Lo, and Prior Settle. The data rows are:

Contract	Bid Size	Bid	Ask	Ask Size	LstTrd	TrdV	Chg	Vol	Open	Hi	Lo	Prior Settle
XTU2					94.250	20	-0.050	2010	94.250	94.300	94.250	94.300
YTU2					95.31	100	+0.01	1835	51.50	95.31	51.50	95.30
XTZ2					94.300	100		2250	94.250	94.300	94.250	94.300
YTZ2					95.31	100	+0.01	2691	95.30	95.31	95.30	95.30
XTU2YTU21028												
XTZ2YTZ21028					1.035	5	+1.035	5	1.035	1.035	1.035	

Overlaid on the main window is the 'New Arbitrage Strategy' dialog box. It contains the following fields and options:

- Contract: XTU2YTU21028
- Price: 0.400
- Volume: 10
- Comment: (empty)
- Account: AAA1
- Bid/Ask: Bid (selected)
- Order Type: LIM
- Order Time: (empty)
- Current Market: (empty)
- Arbitrage Calculation: Contract Leg Price Size
- XTU2
- YTU2
- Implied
- Options: Retain, Tagged, Shared

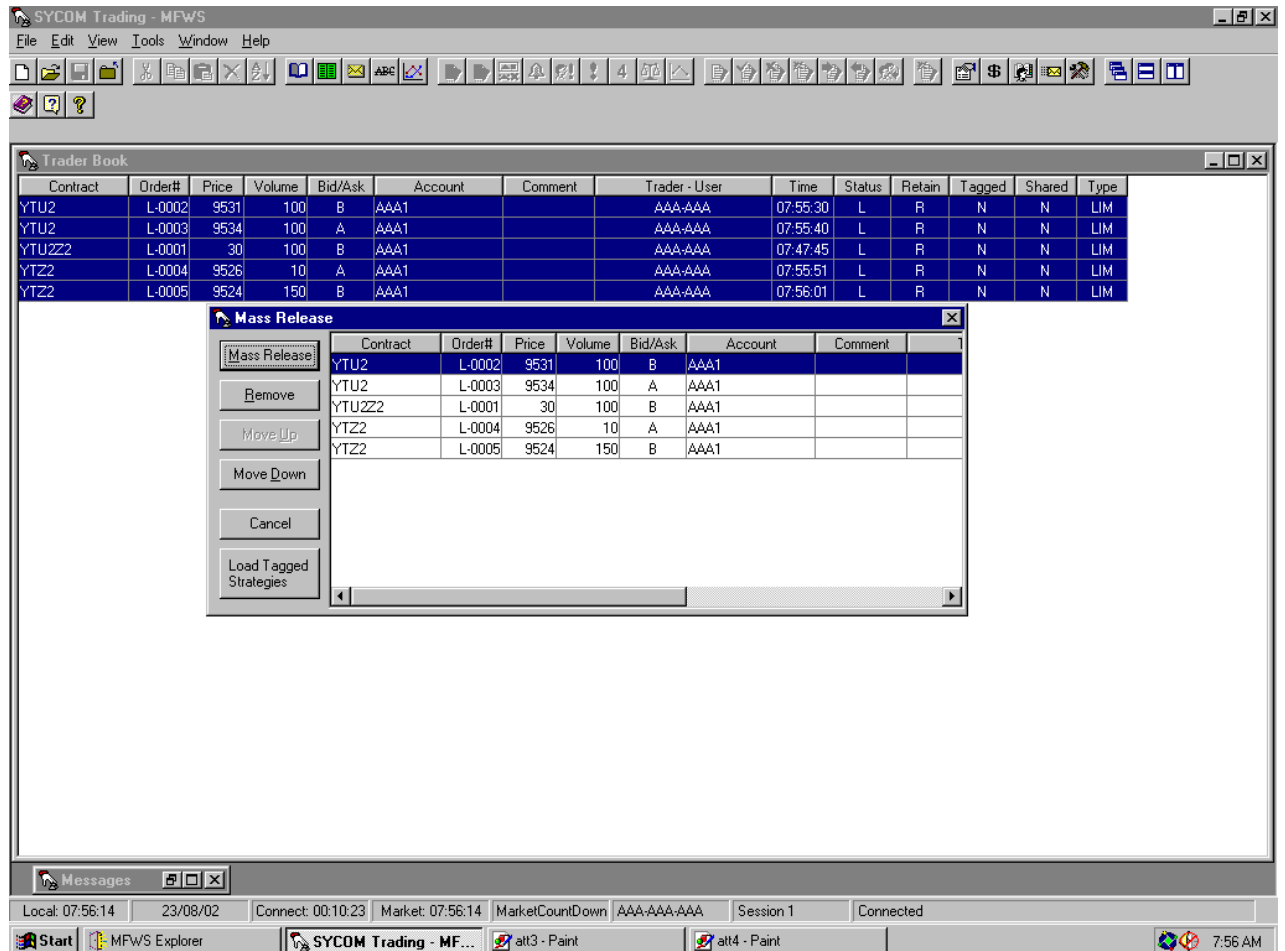
An error dialog box titled 'New Arbitrage Strategy Error' is also overlaid, displaying the message: '8008: Underlying Contract is not available for order release.' with an 'OK' button.

The bottom status bar shows: Local: 07:53:22, 23/08/02, Connect: 00:07:31, Market: 07:53:22, MarketCountDown, AAA-AAA-AAA, Session 1, Connected. The taskbar shows Start, MFWS Explorer, SYCOM Trading - MF..., att3 - Paint, and the system clock at 7:53 AM.

The following configuration is an example of an Order Release from the Market window.

1. Select an order entry dialogue from Market window
2. *To initiate keyboard repeat, hold down Enter key until order is successfully entered into the market

* Please note that this procedure is a non-standard use of functionality.



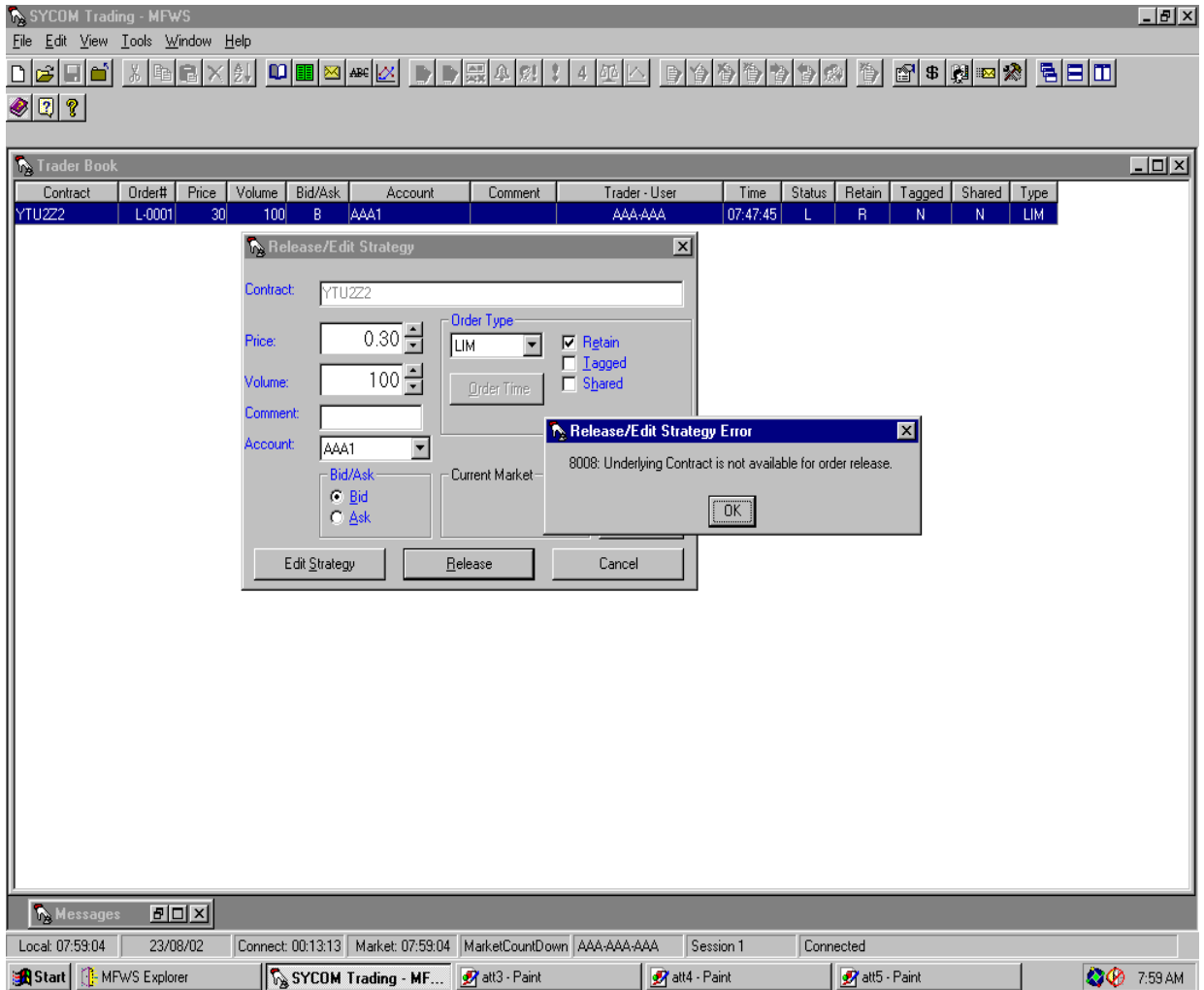
The following is an example of a Mass Release from the Trader book.

1. To access the Trader book, select View > Trader book
2. To select Mass Release window, select F6
3. To Mass Release, press Enter key

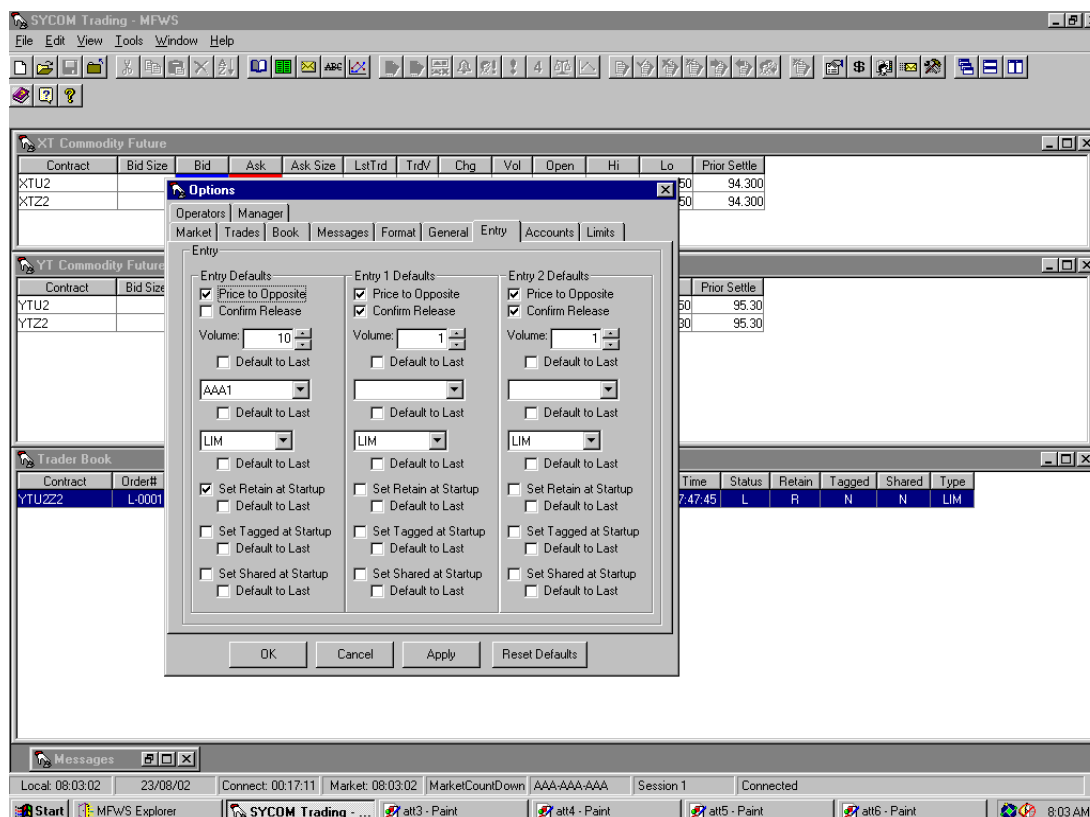
* Please note that the keyboard repeat cannot be initiated for the Mass Release function. If the order is released prior to the open, the order will be rejected and the dialogue closed down.

Attachment 6

SPEED RELEASE



The above window provides an example of an order rejection message if an order is released prior to the market open. Please note that if the Enter key is left depressed until the market is open, the workstation will repeatedly attempt to release the order until successful.



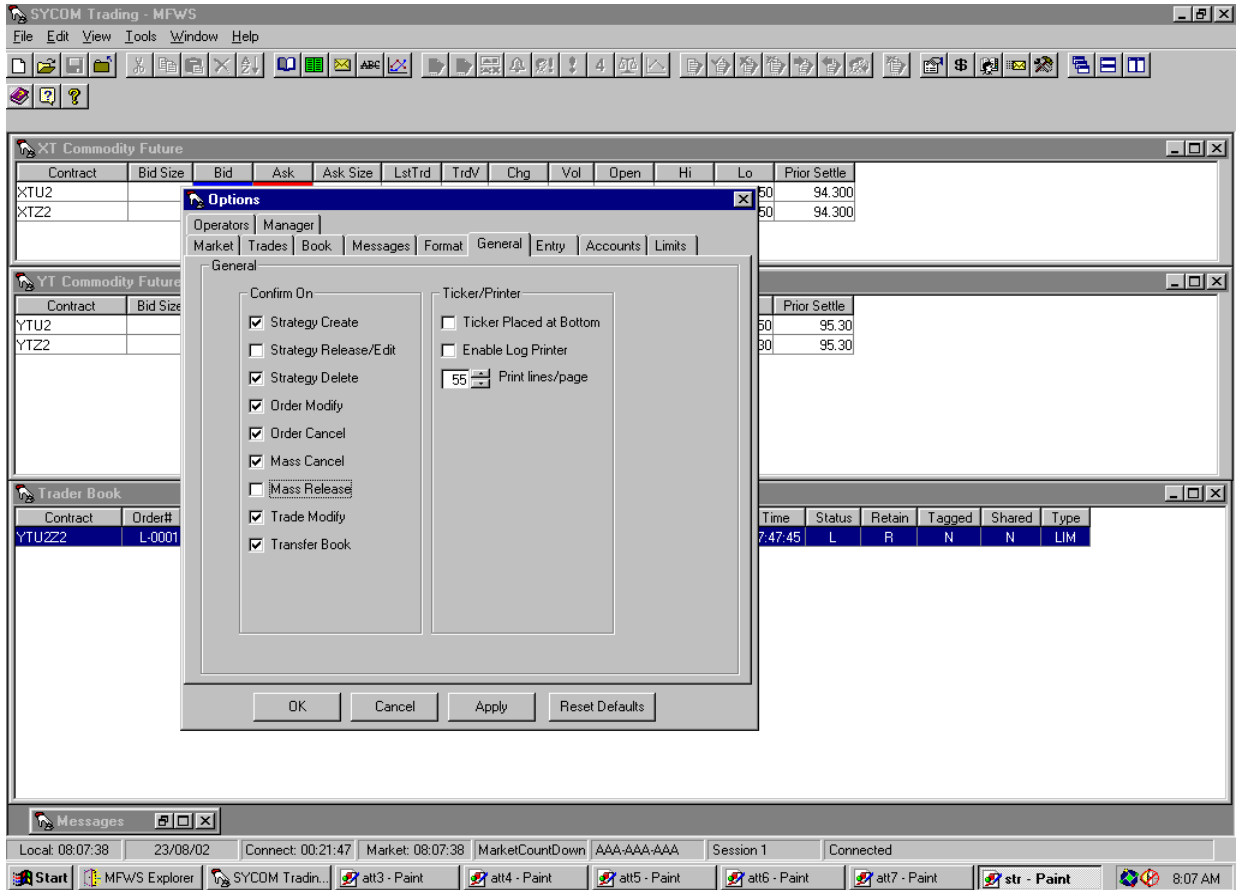
The Entry tab, which is accessible from the Option menu, lets you customise the entry of orders into the Sycom® system. Some of the more relevant options are listed below;

The above Settings are available to be changed by following the directions below;

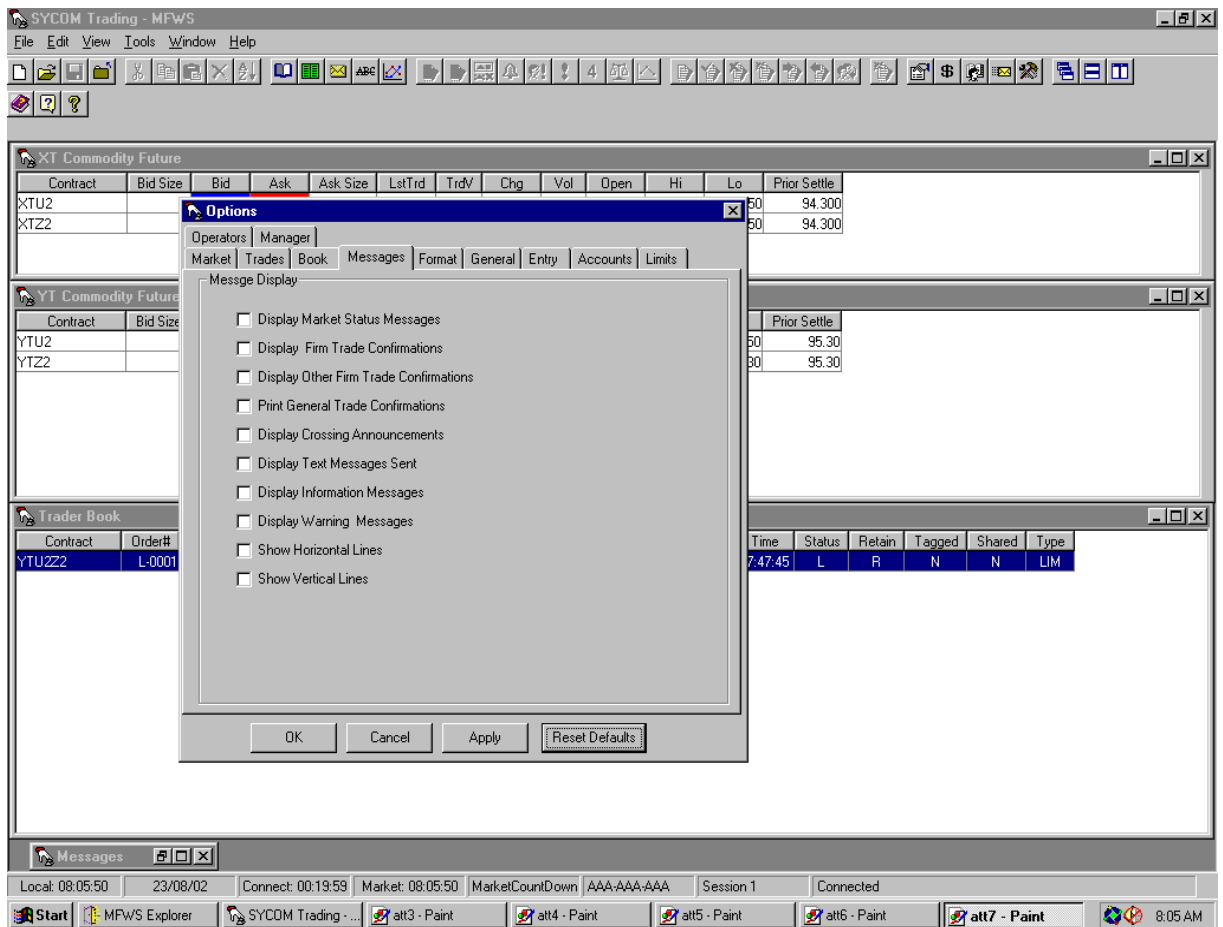
Tools → Options → Entry.

1. Price to Opposite – This function give the user the ability to automatically have the opposite price to their order type inserted into their Order window when it opens.
2. Confirm Release – This gives the user the ability to remove the Confirmation message that is usually received before the order is sent to the market. If this is removed, this could save order entry time as only one keystroke is needed to send the order to the system.
3. Volume – If the volume is defaulted to '0', this will decrease the need to delete the set volume before entering the correct volume for the new order.
4. Set Retain at Start-up – This gives the user the ability to make all orders 'Retain' status by default, therefore if the MFWS loses connection, all orders will remain active in the market.

If any options are changed, Apply and OK must be selected to ensure these settings are saved.



The General tab, which is accessible from the Tools → Options → General, allows a user to customise the MFWS in relation to confirmation checks. The above illustration demonstrates the ability to remove a confirmation check for the Release/ Edit strategy and Mass Release.



The following screen illustrates the ability to remove all informational messages from the message window. This can be accessed by Tools > Options > Messages.