S F E   B U L L E T I N

www.sfe.com.au

30 Grosvenor Street
Sydney NSW 2000 Australia
Telephone 61 2 9256 0555
Facsimile   61 2 9256 0666

PO Box N680
Grosvenor Place
NSW 1220 Australia

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INTRODUCTION OF INTRA-DAY OPTIONS ON 3 YEAR AND 10 YEAR TREASURY BOND FUTURES CONTRACTS

SFE is pleased to announce the launch of Intra-Day Options on the spot quarter month of 3 Year and 10 Year Treasury Bond Futures contracts. These are European style options (similar to the Overnight Options already listed) that are valid only for the duration of the session in which they are listed. The first day of trading will be Tuesday, 30 April 2002.

Intra-Day Options on interest rate futures are a new and convenient tool for clients with interest rate exposure to manage price movements that occur within the day. The new Intra-Day Options also provide new trading opportunities with traders able to profit by anticipating short term price movements in the interest rate market.

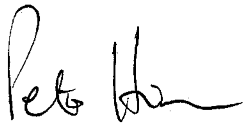
Intra-Day Options will be listed each morning, for pre-open at 8.20am and trading at 8.30am and will be available to trade until 4.10pm on the same day. The expiry price will be calculated as the weighted average of trade prices in the underlying contract sampled between 4.15pm and 4.25pm on that trading day. This settlement price will be disseminated to users prior to the close of the SYCOM® session to allow the maximum possible time before 4.30pm for Participants and their clients to trade out of any positions generated through exercise, should they so desire. For full details on exercise, abandonment and expiry settlement processes please refer to SFE Corporation Bulletin 019/02 and 30/02 (detailing amended contract specifications, which are still subject to regulatory disallowance).

The following information for Intra-Day Options on 3 Year and 10 Year Treasury Bond Futures is attached:

- Contract specifications (subject to regulatory disallowance)
- Data Vendor codes
- Business Rules

The Business Rules for Intra-Day Options on 90 Day Bank Bill Futures are also attached, however, market participants should note that Intra-Day Options on 90 Day Bank Bill Futures will not be listed at this stage.

Should you have any queries please contact Kristye Van de Geer, Assistant Manager, Interest Rate and Currency Products on +612 9256-0489 or kvandege@sfe.com.au.



Peter Hiom
General Manager, Strategy and Business Development

INTRA-DAY OPTIONS ON 3 YEAR COMMONWEALTH TREASURY BOND FUTURES

Contract Unit:	One A$100,000 face value, 6% coupon, 3 Year Treasury Bond Futures contract for a specified contract month on the Sydney Futures Exchange Limited.
Contract Months:	Put and call options available on futures contracts for the nearest quarter month ahead.
Commodity Code:	YD
Minimum Price Move:	Quoted in yield per cent per annum in multiples of 0.005 per cent.
Exercise Prices:	Set at intervals of 0.01 per cent per annum yield. Nine option exercise prices are available for trading with additional strike prices listed at the discretion of the Trading Manager or the Chief Executive of SFE.
Contract Expiry:	At 4.10pm in the SYCOM® session in which the contract was listed for trading.
Last Day of Trading:	The business day prior to the last day of trading in the underlying futures contract. On the last day of trading of the underlying futures contract put and call options will be listed on the next quarter month.
Trading Hours:	8.30am – 4.10pm
Settlement Method:	All options, which are in-the-money, are automatically exercised. Exercise of an option results in the holder receiving a futures position at the options strike price. The settlement price is the weighted average of trade prices executed in the underlying futures contract between 4.15pm and 4.25pm. Calculation of the settlement price is to three decimal places and rounded to two decimal places. When the third decimal place is five or above, the weighted average of trade prices is rounded up to the next highest decimal place.

INTRA-DAY OPTIONS ON 10 YEAR COMMONWEALTH TREASURY BOND FUTURES

Contract Unit:	One A$100,000 face value, 6% coupon, 10 Year Treasury Bond Futures contract for a specified contract month on the Sydney Futures Exchange Limited.
Contract Months:	Put and call options available on futures contracts for the nearest quarter month ahead.
Commodity Code:	XD
Minimum Price Move:	Quoted in yield per cent per annum in multiples of 0.005 per cent.
Exercise Prices:	Set at intervals of 0.01 per cent per annum yield. Nine option exercise prices are available for trading with additional strike prices listed at the discretion of the Trading Manager or the Chief Executive of SFE.
Contract Expiry:	At 4.10pm in the SYCOM® session in which the contract was listed for trading.
Last Day of Trading:	The business day prior to the last day of trading in the underlying futures contract On the last day of trading of the underlying futures contract put and call options will be listed on the next quarter month.
Trading Hours:	8.30am – 4.10pm
Settlement Method:	All options, which are in-the-money, are automatically exercised. Exercise of an option results in the holder receiving a futures position at the options strike price. The settlement price is the weighted average of trade prices executed in the underlying futures contract between 4.15pm and 4.25pm. Calculation of the settlement price is to four decimal places and rounded to the nearest multiple of 0.005 per cent. When rounding, if the third and fourth decimal places are two and five or seven and five respectively, the weighted average of trade prices is rounded up to the next highest multiple of 0.005 per cent.

Vendor Access Codes

Vendor	**Intra-Day Option Codes**		**Overnight Option Codes**	
	3 Year Treasury Bonds	**10 Year Treasury Bonds**	**3 Year Treasury Bonds**	**10 Year Treasury Bonds**
SFE code	YD	XD	YO	XO
Bloomberg	YYA<CMDTY>	XDA<CMDTY>	OOA<CMDTY>	SOA<CMDTY>
Derivatives.com.au	YDmmyy strikep/c	XDmmyy strikep/c	YOmmyy strikep/c	XOmmyy strikep/c
MarketCast	YD	XD	YO	XO
Moneyline Telerate	au@YD+yym	au@XD+yym	au@YO+yym	au@XO+yym
Resource Data	YD	XD	YO	XO
Reuters “Beacon”	DYD	DXD	FYO	FXO
Reuters “Reuters 2000”	0#YYDmy+	0#YXDmy+	0#YYOmy+	0#YXOmy+

TEN YEAR TREASURY BOND CONTRACT - INTRA-DAY OPTION RULES

TB.300 The contract unit shall be an option to buy, in the case of a Call, or an option to sell in the case of a Put, one Ten Year Treasury Bond Futures Contract as described in By-Law TB.1.

TB.301 The Futures Contracts months in respect of which Intra-Day Options trading may occur (called "option contract months") shall be determined by the Exchange from time to time.

TB.302 Trading shall take place on SYCOM® in accordance with the Trading Rules.

TB.303 (a) The Premium of an option shall be yield per cent per annum in multiples of 0.005 per cent. For quotation purposes the Premium shall be multiplied by 100.

(b) The value of the Premium in dollars and cents shall be calculated by reference to the following formula:

Value of Premium =

$$1000p \times [\{c\frac{(1 - a^{20})}{e} + 100a^{20}\} - \{c\frac{(1 - b^{20})}{f} + 100b^{20}\}]$$

where p = Premium in yield per cent per annum x 100

$$e = \frac{(100 - \text{Exercise Price})}{200} \quad \text{(see TB.103(a))}$$

$$a = \frac{1}{1 + e}$$

$$f = \frac{(200e + 0.01)}{200}$$

$$b = \frac{1}{1 + f}$$

c = coupon rate/2

(c) In calculating the value of the Premium in accordance with sub-clause (b) hereof, the calculations within the brackets shall be carried out to eight decimal places. The value of the Premium is rounded to the nearest cent, 0.500 cents being rounded up.

TB.304 (a) Exercise prices shall be yield per cent per annum in multiples of 0.01 per cent deducted from 100.000.

(b) Trading in Puts and Calls of an Intra-Day Option Contract month shall subject to paragraph (c) below be at the following nine Exercise Prices.

(i) the last traded price in the evening SYCOM® session for the corresponding Ten Year Treasury Bond Futures Contract cash settlement month as determined by the Exchange, rounded to the nearest Exercise Price as referred to in sub-clause (a) hereof. In the event that the last traded price in the evening SYCOM® session is precisely midway between two Exercise Prices it shall be rounded to the lower Exercise Price;
(ii) the price which is 0.010 per cent higher than that described in paragraph (i);
(iii) the price which is 0.020 per cent higher than that described in paragraph (i);
(iv) the price which is 0.030 per cent higher than that described in paragraph (i);
(v) the price which is 0.040 per cent higher than that described in paragraph (i);
(vi) the price which is 0.010 per cent lower than that described in paragraph (i);
(vii) the price which is 0.020 per cent lower than that described in paragraph (i);
(viii) the price which is 0.030 per cent lower than that described in paragraph (i);
(ix) the price which is 0.040 per cent lower than that described in paragraph (i).

(c) Any number of new Exercise Prices for both Puts and Calls can be introduced for trading in the current SYCOM® Trading Session as determined by Exchange in accordance with the Trading Rules.

(d) Notwithstanding the provisions of sub-clauses (a) to (c) hereof the Exchange may determine, in respect of the listing of an Option Series, that one or more of the provisions of this By-Law shall not apply or shall apply in a manner as varied by the Exchange.

TB.305 (a) The Declaration Date for a Ten Year Treasury Bond Intra-Day Option Contract shall be the same Business Day as the SYCOM® Session during which the Option Contract was first listed for trading.

(b) Trading shall cease at 4.10pm in the SYCOM® Trading Session in which the Option Contracts were first listed for trading.

TB.306 (a) On the Declaration Date of an Option Contract the Clearing House shall:

(i) exercise all In-the-Money Options; and

(ii) allow all other options to expire.

(b) For the purposes of paragraph (i) of sub-clause (a) hereof, an option shall be In-the-Money if the Intra-Day Option Futures Price of the Underlying Futures Contract cash settlement month lies above the Exercise Price in the case of a Call Option, or lies below the Exercise Price in the case of a Put Option.

Intra-Day Option Futures Price

TB.307 The Intra-Day Option Futures Price referred to in By-Law TB.306(b) hereof shall be determined by the following procedure:

(a) The Exchange shall determine the weighted average of trade prices executed in the underlying Ten Year Treasury Bond Futures contract between 4.15pm and 4.25pm on each trading day of the Ten Year Treasury Bond Futures Contract

The weighted average of trade prices is defined as:

$$WA = \frac{\Sigma(\text{price}_n \text{ x volume}_n)}{V}$$

where n = deal executed between 4.15 pm and 4.25 pm.

and V = total volume traded between 4.15 pm and 4.25 pm.

(b) The weighted average of trade prices shall be calculated to four decimal places and rounded to the nearest multiple of 0.005 per cent per annum. In rounding, the weighted average of trade prices shall be expressed to the nearest multiple of 0.005 per cent per annum on the condition that where the third and fourth decimal places are two and five or seven and five respectively, the weighted average of trade prices shall be rounded to the next highest multiple of 0.005 per cent per annum. The weighted average of trade prices so calculated shall be the Intra-Day Option Futures Price.

(c) In the event that no trades occur between 4.15 pm and 4.25 pm the Intra-Day Option Futures Price shall be the midpoint of the bid and ask prices rounded up to the nearest 0.005 per cent in the underlying Ten Year Treasury Bond Futures contract at 4.25pm.

(d) Subject to By-Law TB.308, the Exchange shall announce the Intra-Day Option Futures Price by no later than 4.30pm on the same Business Day.

TB.308 If in the opinion of the Exchange a situation is developing or has developed which is capable of preventing the Exchange from declaring an Intra-Day Option Futures Price in accordance with By-Law TB.307, the Chief Executive or his designate may take such steps as deemed necessary in the circumstances so as to enable the Exchange to declare an Intra-Day Option Futures Price and may give directions to Participants accordingly. Any decision taken by the Chief Executive or his designate in this regard shall be final.

Undesirable Situations or Practices

TB.309 In the event that an undesirable situation within the meaning of General By-Law G.33 is developing or has developed in relation to Futures Contracts or Option Contracts or both, the provisions set out in that By-Law shall apply.

TB.310 The provisions of TB.17 shall apply to these Intra-Day Options Contract By-Laws.

THREE YEAR TREASURY BOND CONTRACT – INTRADAY OPTIONS RULES

TRB.300 The contract unit shall be an option to buy, in the case of a Call, or an option to sell in the case of a Put, one Three Year Treasury Bond Futures Contract as described in By-Law TRB.1.

TRB.301 The Futures Contracts months in respect of which Intra-Day Options trading may occur (called "option contract months") shall be determined by the Exchange from time to time.

TRB.302 Trading shall take place on SYCOM® in accordance with the Trading Rules.

TRB.303 (a) The Premium of an option shall be yield per cent per annum, in multiples of 0.005 per cent. For quotation purposes the Premium shall be multiplied by 100.

(b) The value of the Premium in dollars and cents shall be calculated by reference to the following formula:

Value of Premium =

$$1000p \times [\{\frac{c(1 - a^6)}{e} + 100a^6\} - \{\frac{c(1 - b^6)}{f} + 100b^6\}]$$

where p = Premium in yield per cent per annum x 100

$$e = \frac{(100 - \text{Exercise Price})}{20} \text{ (see TRB.103(a))}$$

$$a = \frac{1}{1 + e}$$

$$f = \frac{(200e + 0.01)}{200}$$

$$b = \frac{1}{1 + f}$$

c = coupon rate/2

(c) In calculating the value of the Premium in accordance with sub-clause (b) hereof, the calculations within the brackets shall be carried out to eight decimal places. The value of the Premium is rounded to the nearest cent, 0.500 cents being rounded up.

TRB.304 (a) Exercise Prices shall be yield per cent per annum in multiples of 0.01 per cent deducted from 100.000.

(b) Trading in Puts and Calls of an Intra-Day Option Contract month shall subject to paragraph (c) below be at the following nine Exercise Prices.

(i) the last traded price in the evening SYCOM® session for the corresponding Three Year Treasury Bond Futures Contract cash settlement month as determined by the Exchange, rounded to the nearest Exercise Price as referred to in sub-clause (a) hereof. In the event that the last traded price in the evening SYCOM® session is precisely midway between two Exercise Prices it shall be rounded to the lower Exercise Price;
(ii) the price which is 0.010 per cent higher than that described in paragraph (i);
(iii) the price which is 0.020 per cent higher than that described in paragraph (i);
(iv) the price which is 0.030 per cent higher than that described in paragraph (i);
(v) the price which is 0.040 per cent higher than that described in paragraph (i);
(vi) the price which is 0.010 per cent lower than that described in paragraph (i);
(vii) the price which is 0.020 per cent lower than that described in paragraph (i);
(viii) the price which is 0.030 per cent lower than that described in paragraph (i);
(ix) the price which is 0.040 per cent lower than that described in paragraph (i).

(c) Any number of new Exercise Prices for both Puts and Calls can be introduced for trading in the current SYCOM® Trading Session as determined by the Exchange in accordance with the Trading Rules.

(d) Notwithstanding the provisions of sub-clauses (a) to (c) hereof the Exchange may determine, in respect of the listing of an Option Series, that one or more of the provisions of this By-Law shall not apply or shall apply in a manner as varied by the Exchange.

TRB.305 (a) The Declaration Date for a Three Year Treasury Bond Intra-Day Option Contract shall be the same Business Day as the SYCOM® Session during which the Option Contract was first listed for trading.

(b) Trading shall cease at 4.10 pm in the SYCOM® Trading Session in which the Option Contracts were first listed for trading.

TRB.306 (a) On the Declaration Date of an Option Contract the Clearing House shall:

(i) exercise all In-the-Money Options; and

(ii) allow all other options to expire.

(b) For the purposes of paragraph (i) of sub-clause (a) hereof, an option shall be In-the-Money if the Intra-Day Option Futures Price of the Underlying Futures Contract cash settlement month lies above the Exercise Price in the case of a Call Option, or lies below the Exercise Price in the case of a Put Option.

Intra-Day Option Futures Price

TRB.307 The Intra-Day Option Futures Price referred to in By-Law TRB.306(b) hereof shall be determined by the following procedure:

(a) The Exchange shall determine the weighted average of trade prices between 4.15 pm and 4.25 pm on each Trading Day of the Three Year Treasury Bond Futures Contract.

The weighted average of trade prices is defined as:

$$WA = \Sigma \frac{(\text{price}_n \text{ x volume}_n)}{V}$$

where n = deal executed between 4.15 pm and 4.25 pm
and V = total volume traded between 4.15 pm and 4.25 pm

(b) The weighted average of trade prices shall be calculated to three decimal places and rounded to two decimal places. In rounding, the weighted average of trade prices shall be expressed to the nearest second decimal place on the condition that where the third decimal place is five the weighted average of trade prices shall be rounded to the next highest second decimal place. The weighted average of trade prices so calculated shall be the Intra-Day Option Futures Price.

(c) In the event that no trades occur between 4.15 pm and 4.25 pm the Intra-Day Option Futures Price shall be the midpoint of the bid and ask prices rounded up to the nearest 0.01 per cent in the underlying Three Year Treasury Bond Futures contract at 4.25 pm.

(d) Subject to By-Law TRB.308, the Exchange shall announce the Intra-Day Option Futures Price by no later than 4.30 pm on the same Business Day.

TRB.308 If in the opinion of the Exchange a situation is developing or has developed which is capable of preventing the Exchange from declaring an Intra-Day Option Futures Price in accordance with By-Law TRB.307, the Chief Executive or his designate may take such steps as deemed necessary in the circumstances so as to enable the Exchange to declare an Intra-Day Option Futures Price and may give directions to Participants accordingly. Any decision taken by the Chief Executive or his designate in this regard shall be final.

Undesirable Situations or Practices

TRB.309 In the event that an undesirable situation within the meaning of General By-Law G.33 is developing or has developed in relation to Futures Contracts or Option Contracts or both, the provisions set out in that By-Law shall apply.

TRB.310 The provisions of TRB.17 shall apply to these Intra-Day Options Contract By-Laws.

90 DAY BANK ACCEPTED BILLS OF EXCHANGE CONTRACT –INTRA-DAY OPTIONS RULES

BAB.300 The contract unit shall be an option to buy, in the case of a call, or an option to sell in the case of a put, one 90 Day Bank Accepted Bill of Exchange Futures contract as described in By-Law BAB.1.

BAB.301 The futures contracts months in respect of which Intra-Day options trading may occur (called "option contract months") shall be determined by the Exchange from time to time.

BAB.302 (a) The premium of an option shall be yield per cent per annum in multiples of 0.005 per cent. For quotation purposes the premium shall be multiplied by 100.

(b) The value of the premium in dollars and cents shall be calculated by reference to the following formula:

Value of Premium =

$$\left[\frac{1{,}000{,}000 \times 365}{365 + \frac{e \times 90}{100}} - \frac{1{,}000{,}000 \times 365}{365 + \frac{(e + 0.01) \times 90}{100}}\right] \times p$$

where e = 100-Exercise Price (see BAB.303(a))

and p = (premium in yield percent per annum) x 100

(c) In calculating the value of the premium in accordance with sub-clause (b) hereof, the calculations within the brackets shall be carried out to eight decimal places. The value of the premium is rounded to the nearest cent, 0.500 cents being rounded up.

BAB.303 (a) Exercise prices shall be yield per cent per annum in multiples of 0.01 per cent deducted from 100.000.

(b) Trading in puts and calls of an Intra-Day option contract month shall subject to paragraph (c) below be at the following nine exercise prices.

(i) the last traded price in the evening SYCOM® session for the corresponding 90 Day Bank Accepted Bill of Exchange Futures contract delivery month as determined by the Exchange, rounded to the nearest exercise price as referred to in sub-clause (a) hereof. In the event that the last traded price in the evening SYCOM® session is precisely midway between two exercise prices it shall be rounded to the lower exercise price;
(ii) the price which is 0.010 per cent higher than that described in paragraph (i);
(iii) the price which is 0.020 per cent higher than that described in paragraph (i);
(iv) the price which is 0.030 per cent higher than that described in paragraph (i);
(v) the price which is 0.040 per cent higher than that described in paragraph (i);
(vi) the price which is 0.010 per cent lower than that described in paragraph (i);
(vii) the price which is 0.020 per cent lower than that described in paragraph (i);
(viii) the price which is 0.030 per cent lower than that described in paragraph (i);
(ix) the price which is 0.040 per cent lower than that described in paragraph (i).

(c) Any number of new exercise prices for both puts and calls can be introduced for trading in the current SYCOM trading session as determined by the Exchange in accordance with the SYCOM Trading Etiquette.

(d) Notwithstanding the provisions of sub-clauses (a) to (c) hereof the Exchange may determine, in respect of the listing of an option series, that one or more of the provisions of this By-Law shall not apply or shall apply in a manner as varied by the Exchange.

BAB.304 (a) The Declaration Date for a 90 Day Bank Accepted Bill of Exchange Intra-Day Option contract shall the same Business Day as the SYCOM session during which the option contract was first listed for trading.

(b) Trading shall cease at 4.10 pm in the SYCOM trading session in which the option contracts were first listed for trading.

BAB.305 (a) On the Declaration Date of an option contract the Clearing House shall:

(i) exercise all in-the-money options, and
(ii) allow all other options to expire.

(b) For the purposes of paragraph (i) of sub-clause (a) hereof, an option shall be in-the-money if the Intra-Day Option Futures Price of the underlying futures contract delivery month lies above the exercise price in the case of a call option, or lies below the exercise price in the case of a put option.

Intra-Day Option Futures Price

BAB.306 The Intra-Day Option Futures Price referred to in By-Law BAB.305(b) hereof shall be determined by the following procedure:

(a) The Exchange shall determine the weighted average of trade prices executed in the underlying 90 Day Bank Accepted Bill of Exchange Futures contract between 4.15 pm and 4.25 pm on each trading day of the 90 Day Bank Accepted Bill of Exchange Futures contract.
The weighted average of trade prices is defined as:

$$WA = \frac{\Sigma\ (price_n \text{ x } volume_n)}{V}$$

where n = deal executed between 4.15 pm and 4.25 pm

and V = total volume traded between 4.15 pm and 4.25 pm

(b) The weighted average of trade prices shall be calculated to three decimal places and rounded to two decimal places. In rounding, the weighted average of trade prices shall be expressed to the nearest second decimal place on the condition that where the third decimal place is five the weighted average of trade prices shall be rounded to the next highest second decimal place. The weighted average of trade prices so calculated shall be the Intra-Day Option Futures Price.

(c) In the event that no trades occur between 4.15 pm and 4.25 pm the Intra-Day Option Futures Price shall be the midpoint of the bid and ask prices rounded up to the nearest 0.01 per cent in the underlying 90 Day Bank Accepted Bill of Exchange Futures contract at 4.25 pm .

(d) Subject to By-Law BAB.307, the Exchange shall announce the Intra-Day Option Futures Price by no later than 4.30 pm on the same business day.

BAB.307 If in the opinion of the Exchange a situation is developing or has developed which is capable of preventing the Exchange from declaring an Intra-Day Option Futures Price in accordance with By-Law BAB.306, the Chief Executive or his designate may take such steps as deemed necessary in the circumstances so as to enable the Exchange to declare an Intra-Day Option Futures Price and may give directions to Participants accordingly. Any decision taken by the Chief Executive or his designate in this regard shall be final.

Undesirable Situations or Practices

BAB.308 In the event that an undesirable situation within the meaning of General By-LawG.33 is developing or has developed in relation to futures contracts or option contracts or both, the provisions set out in that By-Law shall apply.