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## **ACTION TO BE TAKEN FOLLOWING ISSUE OF AN INCORRECT INDICATIVE SETTLEMENT PRICE FOR JUNE 2002 SPI 200™ CONTRACTS**

### **Introduction**

At 10:30am today, 28 June 2002, SFE issued an indicative settlement price for expiring June 2002 SPI 200™ contracts.

Due to a calculation error by Standard and Poors, the indicative price of 3212.1 was incorrect. Standard and Poors subsequently issued a corrected indicative index price, published on SYCOM® at 11:31am. **The correct indicative index price is 3214.8.**

In a statement by Standard and Poors, it was confirmed "...that a correction was made today to the 10:30am indicative Special Opening Quotation of the S&P/ASX 200 index value. At approximately 10:50am Standard & Poor's was alerted to a discrepancy between the published indicative value and values calculated by external sources". Standard and Poors indicated that "...the discrepancy between the corrected indicative index value and the original indicative value stemmed from the non-inclusion into the index calculation of a recently included index stock."

Although Standard and Poors have confirmed the indicative index price of 3214.8 as final, Participants are reminded that the final settlement price for expiring June 2002 SPI 200™ contracts will be the business day following expiry.

### **Remedial Action to be Taken**

Whilst all prices disseminated by Standard and Poors on the morning of SPI 200™ expiry are indicative, SFE believes that the fact that the original indicative price was incorrect, compounded by the magnitude of the error between the original and correct indicative index price, compromised market integrity.

As a result, **SFE will cancel all non-spread related June 2002 SPI 200™ contracts traded between issue of the original price at 10:30am and 30 seconds and 11:31am and 44 seconds.**

SFE apologises for the error and has requested that Standard and Poors fully investigate the breakdown in the calculation process as a matter of urgency in order to prevent any future recurrence of the problem.

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

## **Further Information**

**For further information on published indicative index prices, please contact the following Standard and Poors representatives:**

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