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#### **SFE ANNOUNCES NEW OFFICIAL MARKET MAKERS IN SPI 200™ OPTIONS**

As part of the continuing initiative to increase liquidity in SPI 200™ options markets, SFE is pleased to announce the appointment of the following Official Market Makers:

**AOT Australia Pty Ltd (from 3 February 2003)**  
**Susquehanna Pacific Pty Ltd (from 3 March 2003)**

SFE believes that the continuous presence of Official Market Makers will significantly improve price discovery, liquidity and market integrity in SFE SPI 200™ options and play an important role in the further development of this market.

Official Market Makers in SFE Equity Products are as follows:

<b>SPI 200™ Options</b>	<b>Individual Share Futures</b>
<b>AOT Australia Pty Ltd</b>	Optiver Australia Pty Ltd
Optiver Australia Pty Ltd	Timber Hill Australia Pty Ltd
PSO Pty Ltd	UBS Warburg Australia Equities Ltd
<b>Susquehanna Pacific Pty Ltd</b>	
Timber Hill Australia Pty Ltd	
UBS Warburg Australia Equities Ltd	

#### **Overview of Commitments**

Official Market Makers in SPI 200™ options are committed to:

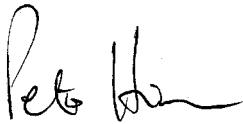
- Provide continuous, two-way prices, within a defined bid/offer spread, in a range of SPI 200™ option strikes spanning first, second and third quarterly contracts.
- Respond to Request for Quotes in all SPI 200™ option strikes outside those continuously quoted.

For the further details of Official Market Maker commitments, please refer to Appendix One.

# 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 in relation to this Bulletin contact Martyn Wild – Manager, Equity Products, SFE Strategy & Business Development on +61 2 9256 0178.

A handwritten signature in black ink, appearing to read 'Peter Hiom', written in a cursive style.

Peter Hiom  
**General Manager, Strategy and Business Development**

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## Appendix 1: SFE SPI 200™ options Market Making Scheme – Summary of Obligations

### Continuous Quotation

- (a) The Market Maker will, via an automated market making system:
- (i) Provide continuous two-way quotes for option strikes with an Exchange delta between 0.25 and 0.55 inclusive, in the product, months, bid/offer spread and volume, as detailed below:

Product	Months	Maximum Bid/ Offer Spread	Minimum Volume per Side
SFE SPI 200™ options	First Quarter	6 index points	25 lots
SFE SPI 200™ options	Second Quarter	7 index points	10 lots
SFE SPI 200™ options	Third Quarter	8 index points	10 lots

And

- (ii) Such quotes will be maintained for a minimum of 60% (cumulatively) of the time between 10.00am and 4.10pm Australian Eastern Standard Time

### Request For Quote

- (a) The Market Maker will respond to a Request For Quote (RFQ), received via the Exchange's Request For Quote Facility, with:
- (i) A two way quote for contracts with an Exchange delta outside the continuous quotation range of 0.25 to 0.55 in the product, months, bid/offer spread and volume, as detailed below:

Product	Months	Maximum Bid/ Offer Spread	Minimum Volume per Side
SFE SPI 200™ options	All option contracts	Best Endeavours	Best Endeavours

And

- (ii) Such quotes will be maintained for a minimum of 75% (cumulatively) of the number of RFQ's received between 10.00am and 4.10pm Australian Eastern Standard Time
- (b) Market Makers will use their best endeavours to:
- (i) Make more competitive spreads in lower delta options
- (ii) Respond to RFQs prior to 10.00am and after 4:10pm.
- (c) The Market Maker's response to a RFQ will be released to SYCOM within ten (10) seconds of the Market Maker receiving each RFQ and available to the market for a period of not less than 30 seconds.

### Custom Market Strategies

- (a) The Market Maker will use their best endeavours to:
- (i) Provide a two-way price on SYCOM for Custom Market strategies quoted via the SYCOM message facility

And

- (b) Ensure responses to Custom Market strategies quoted via the message facility are valid for not less than two (2) minutes.

## **Limitations of the Obligations**

The Market Maker may immediately cease the input of bids and offers and response to RFQs, or increase spread ranges, in the following circumstances:

- (i) Unusual price volatility as determined by the Exchange
- (ii) Five (5) minutes either side of scheduled RBA and ABS releases;
- (iii) Lack of availability or disruption of the performance of SYCOM or the System;
- (iv) Inability of the Market Maker to access SYCOM via the SYCOM Interface;
- (v) When the underlying futures contract bid/offer spread is greater than three (3) index points wide.
- (vi) Where less than three (3) days remain to expiry (inclusive of the expiry day).