

# CIRCULAR



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**To:** Associate Members  
Back Office Accounting Suppliers  
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Local Members

**No:** 12/99

## **SFE Initial Margin Rates and SPAN Parameters**

A review of the current SFE Initial Margin Rates and SPAN<sup>1</sup> Parameters, have resulted in changes which are detailed in the attached schedule tables. The shaded areas highlight these changes, since the last circular, regarding SFE Initial Margin Rates and SPAN Parameters.

The revised SPAN parameters will be effective for open contracts as at close of business **Tuesday, 23 February 1999** impacting on margin calls made on **Wednesday, 24 February 1999**.

SFE SPAN parameters are available on Reuters pages **SFE/SPAN** and **SFE/SPREAD** and the SFE Website **[www.sfe.com.au/](http://www.sfe.com.au/)**.

If you have any queries in respect to these or any other SPAN parameters, please contact the Risk Management Department on 9256 0410 or 9256 0553.

<sup>1</sup> SPAN and Standard Portfolio Analysis of Risk are trademarks of the Chicago Mercantile Exchange. The Chicago Mercantile Exchange assumes no liability with the use of SPAN by any person or entity.

**SFE INITIAL MARGIN RATES & SPAN PARAMETERS**  
(Effective from 24-02-99)

	Commodity Name	Code	Price Scan Range (per lot)	Inter Month Spread Charge (per spread)	% Volatility Scan Range	Short Option Minimum charge	Effective Date
1	All Ordinaries SPI*	AO	\$3,000	\$250	4.50%	\$13	13/08/98
2	90 Day Bank Accepted Bill	IR	\$850	Tiered	0.12%	\$24	11/09/98
3	3 Year Government Bond	YB	\$1,000	\$100	1.00%	\$15	11/09/98
4	10 Year Government	XB	\$2,400	\$200	2.50%	\$40	22/10/98
5	ANZ ISF	AN	\$525	\$175	-	-	18/12/98
6	BHP ISF	BH	\$650	\$220	-	-	3/11/98
7	RIO ISF	CA	\$825	\$275	-	-	3/11/98
8	FBG ISF	FB	\$250	\$90	-	-	5/02/99
9	MIM ISF	IM	\$90	\$30	-	-	3/11/98
10	NAB ISF	NB	\$1,100	\$370	-	-	24/02/99
11	NCP ISF	NU	\$875	\$295	-	-	3/11/98
12	PDP ISF	PC	\$200	\$70	-	-	18/12/98
13	TLS ISF	TE	\$425	\$145	-	-	18/12/98
14	WBC ISF	BC	\$450	\$150	-	-	20/01/99
15	WMC ISF	WM	\$350	\$120	-	-	3/11/98
16	Fine Wool	FW	\$950	\$800	-	-	22/10/98
17	Wool Deliverable	GW	\$600	Tiered	4.00%	\$13	8/09/98
18	Broad Wool	BW	\$650	\$600	-	-	8/09/98
19	Wheat	WH	\$300	\$300	5.00%	\$13	13/08/98
20	NSW Electricity**	NE	\$1,500	\$1,000	-	-	3/12/97
21	Victorian Electricity**	VE	\$1,800	\$1,200	-	-	3/12/97
22	NSW Peak-Period Electricity ***	NX	\$2,250	\$1,150	-	-	15/03/99
23	VIC Peak-Period Electricity ***	VX	\$2,700	\$1,800	-	-	15/03/99

\* The spot month isolation rate for the AO contract is \$125

\*\* The spot month isolation rate for the NE and VE contracts is \$100

\*\*\* These contracts will be listed on the 15/03/99

**SFE TIERED INTER-MONTH SPREAD DETAILS**  
(Effective from 24-02-99)

	90 Day Bank Accepted Bill	Months in Tier	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
1	Tier 1	1	-				
2	Tier 2	2 to 3	\$300	\$100			
3	Tier 3	4 to 8	\$325	\$175	\$150		
4	Tier 4	9 to 12	\$450	\$350	\$225	\$175	
5	Tier 5	13 to 20	\$475	\$400	\$375	\$300	\$200

	Wool Deliverable	Months in Tier	Tier 1	Tier 2	Tier 3
1	Tier 1	1	-		
2	Tier 2	2 to 5	\$800	\$200	
3	Tier 3	6 to 9	\$800	\$300	\$300

**SFE SPAN INTER COMMODITY CONCESSIONS**  
(Effective from 5-02-99)

	Contracts	Delta Spread Ratio	% Credit per Leg of Spread
1	10 Year Government Bond : 3 Year Government Bond	1:3	65%
2	3 Year Government Bond : 90 Day Bank Accepted Bill	1:1	70%
3	10 Year Government Bond : 90 Day Bank Accepted Bill	1:4	45%
4	All Ordinaries SPI : Individual Share Future	n/a	50%
5	Individual Share Future : Individual Share Future	n/a	40%
6	Fine Wool : Deliverable Wool	1:1	50%
7	Fine Wool : Broad Wool	1:1	50%
8	Deliverable Wool : Broad Wool	1:1	50%

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19/02/99

**SYDNEY FUTURES EXCHANGE CLEARING HOUSE PTY LIMITED**  
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