

TO:

CLEARING MEMBERS
FULL MEMBERS
LOCAL MEMBERS
ASSOCIATE MEMBERS
BACK OFFICE ACCOUNTING SUPPLIERS

NO: 44/2000

NZFOE INITIAL MARGIN RATES AND SPAN¹ PARAMETERS

A list of the current NZFOE Futures and Equity Options are detailed in the attached schedule table. The list specifies Initial margin rates for the following new Equity Options.

Auckland International Airport Ltd
Sky Network Television Ltd
The Warehouse Ltd

NZFOE SPAN parameters are available on Reuter's pages **SFE/SPAN** and **SFE/SPREAD** and the SFE Website 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 0417 or 9256 0553

STEPHEN ANSCHAU
RISK ANALYST

24th May 2000

¹ 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.

NZFOE INITIAL MARGIN RATES & SPAN PARAMETERS
(Effective from 24-05-2000)

	Commodity Name	Code	Price Scan Range (per lot)	Inter Month Spread Charge (per spread)	% Volatility Scan Range	Short Option Minimum Charge	Effective Date
1	NZSE-10 Share Price Index	TI	\$1400	\$300	2.50%	\$25	10/01/2000
2	90 Day Bank Bill	BB	\$500	Tiered	0.10%	\$12	10/01/2000
3	3 Year Government Bond	TY	\$600	\$150	1.00%	\$26	10/01/2000
4	10 Year Government Bond	TN	\$1600	\$250	1.50%	\$68	10/01/2000
5	NZ Electricity-North Island*	EN	\$1075	\$500	-	-	23/02/2000
6	Air New Zealand B	AB	\$250	\$125	1.50%	\$10	10/01/2000
7	Auckland International Airport	AA	\$190	\$95	1.50%	\$10	23/05/2000
8	Carter Holt Harvey	CH	\$200	\$100	1.50%	\$10	10/01/2000
9	Contact Energy Ltd	CE	\$300	\$150	1.50%	\$10	10/01/2000
10	Fletcher Challenge Building	CF	\$300	\$150	1.50%	\$10	10/01/2000
11	Fletcher Challenge Energy	EF	\$350	\$150	1.50%	\$10	10/01/2000
12	Fletcher Challenge Forestry	FF	\$100	\$50	1.50%	\$10	10/01/2000
13	Fletcher Challenge Paper	PF	\$230	\$115	1.50%	\$10	10/01/2000
14	Independent Newspapers	NL	\$400	\$200	1.50%	\$10	10/01/2000
15	Lion Nathan	LN	\$225	\$115	1.50%	\$10	10/01/2000
16	Sky Network Television Ltd	SK	\$370	\$185	1.50%	\$10	23/05/2000
17	Telecom Corp of NZ	TL	\$425	\$215	1.50%	\$10	10/01/2000
18	The Warehouse Ltd	WA	\$280	\$140	1.50%	\$10	23/05/2000

* The spot month isolation rate for the EN contract is \$100

NZFOE TIERED INTER-MONTH SPREAD DETAILS
(Effective from 23-02-2000)

	90 Day Bank Bills	Months in Tier	Tier 1	Tier 2	Tier 3
1	Tier 1	1	-		
2	Tier 2	2 to 3	\$250	\$200	
3	Tier 3	4 to 8	\$350	\$150	\$75

NZFOE SPAN INTER COMMODITY CONCESSIONS
(Effective from 23-02-2000)

Priority	Contracts	Delta Spread Ratio	% Credit per Leg of Spread
1	3 Year Government Bond: 10 Year Government Bond	5:2	70%
2	90 Day Bank Bill: 3 Year Government Bond	2:1	60%