

TO:

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

NO: 46/2000

SFE INITIAL MARGIN RATES AND SPAN¹ PARAMETERS

Initial Margins rates for the new grain contracts Barley, Canola &, Sorghum is detailed in the attached schedule table.

SFE Initial Margin and SPAN Parameters rates 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

30th May 2000

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SFE INITIAL MARGIN RATES & SPAN PARAMETERS
(Effective from 09-05-2000)

	Commodity Name	Code	Price Scan Range (per lot)	Inter Month Spread Charge (per spread)	% Volatility Scan Range	Short Option Minimum charge	Effective Date
1	SPI® 200*	AP	\$2500	\$250	3.50%	\$13	02/05/2000
2	Share Price Index (SPI®)	AO	\$2500	\$250	3.50%	\$13	02/05/2000
3	90 Day Bank Accepted Bill	IR	\$500	Tiered	0.12%	\$24	27/04/2000
4	3 Year Government Bond	YB	\$700	\$150	1.00%	\$15	27/04/2000
5	10 Year Government	XB	\$2000	\$200	2.00%	\$40	27/04/2000
6	Dow Jones AP/ELS Australia***	AI	\$2600	\$200	3.50%	\$13	10/01/2000
7	ANZ ISF®	AN	\$525	\$175	-	-	10/01/2000
8	BHP ISF®	BH	\$950	\$450	-	-	06/04/2000
9	RIO ISF®	CA	\$1475	\$500	-	-	10/01/2000
10	FBG ISF®	FB	\$250	\$90	-	-	10/01/2000
11	MIM ISF®	IM	\$150	\$50	-	-	06/04/2000
12	NAB ISF®	NB	\$1400	\$475	-	-	06/04/2000
13	NCP ISF®	NU	\$2700	\$1105	-	-	09/05/2000
14	PDP ISF®	PC	\$200	\$70	-	-	10/01/2000
15	TLS ISF®	TE	\$500	\$170	-	-	06/04/2000
16	WBC ISF®	BC	\$500	\$170	-	-	10/01/2000

17	WMC ISF®	WM	\$600	\$300	-	-	10/01/2000
18	Barley Deliverable	BA	\$250	\$175	5.00%	\$13	20/06/2000
19	Broad Wool	BW	\$600	\$550	-	-	09/05/2000
20	Canola Deliverable	CN	\$160	\$100	5.00%	\$13	20/06/2000
21	Fine Wool	FW	\$950	\$800	-	-	10/01/2000
22	Sorghum Deliverable	SO	\$250	\$175	5.00%	\$13	20/06/2000
23	Wool Deliverable	GW	\$600	Tiered	4.00%	\$13	10/01/2000
24	Wheat Deliverable	WH	\$350	\$225	5.00%	\$13	09/05/2000
25	NSW Electricity**	NE	\$1100	\$900	-	-	6/03/2000
26	VIC Electricity**	VE	\$1400	\$1100	-	-	6/03/2000
27	NSW Peak-Period Electricity**	NX	\$1800	\$1300	-	-	6/03/2000
28	VIC Peak-Period Electricity**	VX	\$2200	\$1800	-	-	6/03/2000

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

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

SFE TIERED INTER-MONTH SPREAD DETAILS
(Effective from 09-05-2000)

	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	\$175			
3	Tier 3	4 to 8	\$425	\$200	\$150		
4	Tier 4	9 to 12	\$450	\$350	\$225	\$175	
5	Tier 5	13 to 20	\$675	\$650	\$650	\$650	\$500

	Wool Deliverable	Months in Tier	Tier 1	Tier 2	Tier 3
1	Tier 1	1	-		
2	Tier 2	2 to 5	\$400	\$200	
3	Tier 3	6 to 9	\$400	\$300	\$300

SFE SPAN INTER COMMODITY CONCESSIONS
(Effective from 09-05-2000)

	Contracts	Delta Spread Ratio	% Credit per Leg of Spread
1	10 Year Government Bond : 3 Year Government Bond	1:3	70%
2	3 Year Government Bond : 90 Day Bank Accepted Bill	1:1	65%
3	10 Year Government Bond : 90 Day Bank Accepted Bill	1:4	60%
4	SPI® 200 : Share Price Index (SPI®)	1:1	90%
5	SPI® 200 : Individual Share Future	n/a	50%
6	SPI® 200 : Dow Jones AP/ELS Australia*	1:1	90%
7	Share Price Index (SPI®) : Individual Share Future	n/a	50%
8	Share Price Index (SPI®) : Dow Jones AP/ELS Australia*	1:1	90%
9	Fine Wool : Deliverable Wool	1:1	50%
10	Fine Wool : Broad Wool	1:1	50%
11	Deliverable Wool : Broad Wool	1:1	50%

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
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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%