

SFE CIRCULAR:

**BACK OFFICE MANAGERS
CLEARING PARTICIPANTS**

NO. 94/00

3 YEAR CGB FUTURES CONTRACT HALF-TICK

From **30th November 2000**, SFE will reduce the minimum price increment from 0.01% to 0.005% for the 3-Year Treasury Bond Futures contract. Prices for the 3-Year Treasury Bond Futures contract will be quoted to three decimal places in increments of 0.005.

This will improve trading and hedging opportunities for market users and should lead to lower trading costs as a result of a narrowing in the Bid/Offer spread.

The above changes are subject to ASIC non-disallowance.

The Revised Contract Specifications for the 3 Year Bond Futures Contract are on the following page.

3-YEAR COMMONWEALTH TREASURY BOND FUTURES (2)

CONTRACT UNIT:	Commonwealth Government Treasury bonds with a face value of A\$100,000, a coupon rate of 12 per cent per annum and a term to maturity of three years, no tax rebate allowed.
CONTRACT MONTHS:	March/June/September/December up to two quarter months ahead.
Commodity Codes:	YB
Listing Date:	17/05/1988
Minimum Price Move:	Prices are quoted in yield per cent per annum in multiples of 0.005 per cent. For quotation purposes the yield is deducted from an index of 100. The minimum fluctuation of 0.005 per cent equals approximately \$14 per contract, varying with the level of interest rates.
Trading Ends:	The fifteenth day of the contract month (or the next succeeding business day where the fifteenth day is not a business day). Trading ceases at 12.00 noon.
Settlement Day:	The business day following the last permitted day of trading.
Trading Hours:	5.10pm - 7.00am and 8.30am - 4.30pm
Settlement Method:	The arithmetic mean, taken at 9.45 am, 10.30 am and 11.15 am on the last day of trading by 10 dealers, randomly selected for each time, at which they would buy and sell a series of bonds previously declared by the Exchange for that contract month, excluding the two highest and two lowest buying quotations and the two highest and two lowest selling quotations for each bond. All bought and sold contracts in existence as at the close of trading in the contract month shall be settled by the Clearing House at the cash settlement price.

For further information on the above Circular, please contact the undersigned on 9256 0430

KYRRA GRUNNSUND
MANAGER, CLEARING SERVICES

8 NOVEMBER 2000