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From: Sydney Futures Exchange Clearing House Pty Limited ABN 91 050 615 864

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SFE INITIAL MARGIN RATES AND SPAN¹ PARAMETERS

A review of the current SFE and NZFOE Initial Margin Rates have resulted in changes that are detailed in the attached schedule tables. The shaded areas highlight these changes since the last circular regarding SFE and NZFOE Initial Margin Rates.

The revised SPAN parameters will be effective for open contracts as at the close of business **Monday, 21st of May 2001** impacting on margin calls made on **Tuesday, 22nd of May 2001**.

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

A handwritten signature in black ink, appearing to read 'Stephen Anschau'.

Stephen Anschau
Risk Analyst

¹SPAN 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.

S F E C H C I R C U L A R C O N T I N U E D

SFE INITIAL MARGIN RATES & SPAN PARAMETERS (Effective from 22-05-2001)

	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	\$2200	\$220	3.00%	\$13	13/03/2001
2	Share Price Index (SPI®)	AO	\$2200	\$220	3.00%	\$13	13/03/2001
3	90 Day Bank Accepted Bill	IR	\$500	Tiered	0.10%	\$24	17/01/2001
4	3 Year Government Bond 6% Coupon	YT	\$650	\$140	0.90%	\$15	16/03/2001
5	3 Year Government Bond 12% Coupon	YB	\$700	\$150	0.90%	\$15	16/03/2001
6	10 Year Government Bond 6% Coupon	XT	\$1400	\$160	1.50%	\$40	13/03/2001
7	10 Year Government Bond 12% Coupon	XB	\$1750	\$175	1.50%	\$40	16/03/2001
8	Australian Dollar Futures	AF	US \$1200	US \$120	-	-	06/02/2001
9	ANZ ISF®	AN	\$525	\$175	-	-	10/01/2000
10	BHP ISF®	BR	\$950	\$450	-	-	06/04/2000
11	RIO ISF®	CA	\$1700	\$600	-	-	22/05/2001
12	FBG ISF®	FB	\$250	\$90	-	-	10/01/2000
13	MIM ISF®	IM	\$150	\$50	-	-	06/04/2000
14	NAB ISF®	NB	\$1200	\$400	-	-	06/04/2000
15	NCP ISF®	NU	\$2200	\$750	-	-	09/05/2000
16	PDP ISF®	PC	\$150	\$50	-	-	10/01/2000
17	TLS ISF®	TE	\$350	\$150	-	-	22/05/2001
18	WBC ISF®	BC	\$500	\$170	-	-	10/01/2000
19	WMC ISF®	WM	\$600	\$300	-	-	10/01/2000
20	Barley Deliverable	BA	\$150	\$100	5.00%	\$13	22/05/2001
21	Broad Wool	BW	\$650	\$350	-	-	22/05/2001
22	Canola Deliverable	CN	\$100	\$80	5.00%	\$13	22/05/2001
23	Fine Wool	FW	\$950	\$800	-	-	10/01/2000
24	Sorghum Deliverable	SO	\$150	\$100	5.00%	\$13	22/05/2001
25	Wool Deliverable	GW	\$500	Tiered	4.00%	\$13	10/01/2000
26	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 & AP contract is \$125

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

SFECH CIRCULAR CONTINUED

SFE TIERED INTER-MONTH SPREAD DETAILS (Effective from 22-05-2001)

	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	\$250	\$150			
3	Tier 3	4 to 8	\$400	\$200	\$150		
4	Tier 4	9 to 12	\$400	\$350	\$200	\$175	
5	Tier 5	13 to 20	\$500	\$500	\$500	\$500	\$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 22-05-2001)

	Contracts	Delta Spread Ratio	% Credit per Leg of Spread
1	10 Year Government Bond 6% Coupon : 3 Year Government Bond 6% Coupon	1:3	70%
2	10 Year Government Bond 12% Coupon : 3 Year Government Bond 12% Coupon	1:3	70%
3	3 Year Government Bond 6% : 90 Day Bank Accepted Bill	1:1	70%
4	3 Year Government Bond 12% Coupon : 90 Day Bank Accepted Bill	1:1	70%
5	10 Year Government Bond 6% Coupon : 90 Day Bank Accepted Bill	1:4	60%
6	10 Year Government Bond 12% Coupon: 90 Day Bank Accepted Bill	1:4	60%
7	3 Year Government Bond 6% Coupon : 3 Year Government Bond 12% Coupon	1:1	90%
8	10 Year Government Bond 12% Coupon : 3 Year Government Bond 6% Coupon	1:3	60%
9	10 Year Government Bond 6% Coupon : 3 Year Government Bond 12% Coupon	1:3	60%
10	10 Year Government Bond 6% Coupon : 10 Year Government Bond 12% Coupon	1:1	90%
11	SPI® 200 : Share Price Index (SPI®)	1:1	90%
12	SPI® 200 : Individual Share Future	n/a	50%
13	Share Price Index (SPI®) : Individual Share Future	n/a	50%
14	Fine Wool : Deliverable Wool	1:1	50%
15	Fine Wool : Broad Wool	1:1	50%
16	Deliverable Wool : Broad Wool	1:1	50%

S F E C H C I R C U L A R C O N T I N U E D

NZFOE INITIAL MARGIN RATES & SPAN PARAMETERS (Effective from 22-05-2001)

	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	\$1200	\$300	2.50%	\$25	22/05/2001
2	90 Day Bank Bill	BB	\$400	Tiered	0.10%	\$12	22/05/2001
3	3 Year Government Bond	TY	\$500	\$150	1.00%	\$26	22/05/2001
4	10 Year Government Bond	TN	\$1400	\$250	1.50%	\$68	22/05/2001
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	\$200	\$100	1.50%	\$10	22/05/2001
10	Fletcher Building Ltd	CF	\$300	\$150	1.50%	\$10	10/01/2000
12	Fletcher Challenge Forests Ltd	FF	\$80	\$40	1.50%	\$10	22/05/2001
13	Fletcher Challenge Paper	PF	\$230	\$115	1.50%	\$10	10/01/2000
14	Independent Newspapers	NL	\$400	\$200	1.50%	\$10	22/05/2000
15	Lion Nathan	LN	\$275	\$140	1.50%	\$10	22/05/2001
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 22-05-2000)

	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 22-05-2000)

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%