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SFE BOND & REPO CLEAR INITIAL MARGIN RATES

In light of current market conditions Risk Management has reviewed the price volatility of BRC products and has approved the following Changes.

The revised BRC parameters will be effective for open contracts as at close of business **Monday, 1st March 2004** impacting on margin calls made on **Tuesday, 2nd March 2004**.

SFE Initial Margin rates are available on the SFE Website www.sfe.com.au.

If you have any queries in respect to these parameters, please contact the Risk Management Department on 9256 0405 or 9256 0553.

A handwritten signature in black ink, appearing to read 'Eddie Farah', with a long horizontal stroke extending to the right.

Eddie Farah
Risk Analyst

S F E B U L L E T I N C O N T I N U E D

Contract	Price Scanning Range
CGS 1-3 Year maturity bucket	Decrease from 1.00 to 0.95
CGS 3-5 Year maturity bucket	Increase from 1.40 to 1.60
CGS 5-7 Year maturity bucket	Increase from 1.60 to 1.85
CGS 7-10 Year maturity bucket	Increase from 1.70 to 2.50
CGS 10-15 Year maturity bucket	Increase from 1.80 to 2.65
CGS 15-30 Year maturity bucket	Increase from 2.00 to 2.90
SEMI 0-1 Year Maturity bucket	Decrease from 0.27 to 0.25
SEMI 1-3 Year Maturity bucket	Decrease from 1.05 to 0.70
SEMI 5-7 Year Maturity bucket	Increase from 1.68 to 1.84
SEMI 7-10 Year Maturity bucket	Increase from 1.80 to 2.10
SEMI 10-15 Year Maturity bucket	Increase from 1.91 to 2.95
SEMI 15-30 Year Maturity bucket	Increase from 2.10 to 4.72

Contract	Correlation Concessions
CGS 0-1 Year Vs CGS 1-3 Year	Decrease from 70% to 50%
CGS 0-1 Year Vs CGS 3-5 Year	Decrease from 60% to 40%
CGS 0-1 Year Vs CGS 5-7 Year	Increase from 55% to 20%
CGS 0-1 Year Vs CGS 7-10 Year	Decrease from 50% to 30%
CGS 0-1 Year Vs CGS 10-15 Year	Decrease from 50% to 0%
CGS 0-1 Year Vs CGS 15-30 Year	Decrease from 40% to 0%
CGS 1-3 Year Vs CGS 3-5 Year	Increase from 70% to 80%
CGS 1-3 Year Vs CGS 5-7 Year	Increase from 60% to 65%
CGS 1-3 Year Vs CGS 7-10 Year	Increase from 50% to 55%
CGS 1-3 Year Vs CGS 10-15 Year	Decrease from 50% to 35%
CGS 1-3 Year Vs CGS 15-30 Year	Decrease from 40% to 20%
CGS 3-5 Year Vs CGS 5-7 Year	Increase from 80% to 85%
CGS 3-5 Year Vs CGS 7-10 Year	Decrease from 75% to 70%
CGS 3-5 Year Vs CGS 10-15 Year	Decrease from 70% to 50%
CGS 3-5 Year Vs CGS 15-30 Year	Decrease from 60% to 35%
CGS 5-7 Year Vs CGS 10-15 Year	Decrease from 70% to 60%
CGS 5-7 Year Vs CGS 15-30 Year	Decrease from 60% to 45%
CGS 7-10 Year Vs CGS 15-30 Year	Decrease from 70% to 65%
SEMI 0-1 Year Vs SEMI 3-5 Year	Decrease from 40% to 35%
SEMI 0-1 Year Vs SEMI 5-7 Year	Decrease from 40% to 25%
SEMI 0-1 Year Vs SEMI 7-10 Year	Decrease from 30% to 15%
SEMI 0-1 Year Vs SEMI 10-15 Year	Decrease from 30% to 10%
SEMI 0-1 Year Vs SEMI 15-30 Year	Decrease from 20% to 0%

S F E B U L L E T I N C O N T I N U E D

Contract	Correlation Concessions
SEMI 1-3 Year Vs SEMI 3-5 Year	Decrease from 50% to 45%
SEMI 1-3 Year Vs SEMI 5-7 Year	Decrease from 40% to 35%
SEMI 1-3 Year Vs SEMI 7-10 Year	Decrease from 40% to 25%
SEMI 1-3 Year Vs SEMI 10-15 Year	Decrease from 30% to 25%
SEMI 1-3 Year Vs SEMI 15-30 Year	Decrease from 20% to 0%
SEMI 3-5 Year Vs SEMI 5-7 Year	Increase from 55% to 85%
SEMI 3-5 Year Vs SEMI 7-10 Year	Increase from 50% to 70%
SEMI 3-5 Year Vs SEMI 10-15 Year	Increase from 40% to 55%
SEMI 3-5 Year Vs SEMI 15-30 Year	Decrease from 30% to 0%
SEMI 5-7 Year Vs SEMI 7-10 Year	Increase from 55% to 85%
SEMI 5-7 Year Vs SEMI 10-15 Year	Increase from 50% to 65%
SEMI 5-7 Year Vs SEMI 15-30 Year	Decrease from 40% to 0%
SEMI 7-10 Year Vs SEMI 10-15 Year	Increase from 55% to 75%
SEMI 7-10 Year Vs SEMI 15-30 Year	Decrease from 45% to 0%
SEMI 10-15 Year Vs SEMI 15-30 Year	Decrease from 55% to 20%
CGS 0-1 Year Vs SEMI 0-1 Year	Increase from 40% to 90%
CGS 0-1 Year Vs SEMI 1-3 Year	Increase from 35% to 50%
CGS 0-1 Year Vs SEMI 3-5 Year	Increase from 20% to 40%
CGS 0-1 Year Vs SEMI 5-7 Year	Increase from 0% to 30%
CGS 0-1 Year Vs SEMI 7-10 Year	Increase from 0% to 15%
CGS 0-1 Year Vs SEMI 10-15 Year	Increase from 0% to 15%
CGS 1-3 Year Vs SEMI 1-3 Year	Increase from 40% to 55%
CGS 1-3 Year Vs SEMI 3-5 Year	Increase from 30% to 80%
CGS 1-3 Year Vs SEMI 5-7 Year	Increase from 20% to 70%
CGS 1-3 Year Vs SEMI 7-10 Year	Increase from 0% to 55%
CGS 1-3 Year Vs SEMI 10-15 Year	Increase from 0% to 45%
CGS 3-5 Year Vs SEMI 3-5 Year	Increase from 40% to 95%
CGS 3-5 Year Vs SEMI 5-7 Year	Increase from 30% to 85%
CGS 3-5 Year Vs SEMI 7-10 Year	Increase from 20% to 70%
CGS 3-5 Year Vs SEMI 10-15 Year	Increase from 0% to 60%
CGS 5-7 Year Vs SEMI 5-7 Year	Increase from 40% to 90%
CGS 5-7 Year Vs SEMI 7-10 Year	Increase from 30% to 85%
CGS 5-7 Year Vs SEMI 10-15 Year	Increase from 20% to 65%
CGS 7-10 Year Vs SEMI 7-10 Year	Increase from 40% to 90%
CGS 7-10 Year Vs SEMI 10-15 Year	Increase from 30% to 70%
CGS 7-10 Year Vs SEMI 15-30 Year	Decrease from 20% to 0%
CGS 10-15 Year Vs SEMI 10-15 Year	Increase from 40% to 70%
CGS 10-15 Year Vs SEMI 15-30 Year	Decrease from 30% to 0%
CGS 15-30 Year Vs SEMI 15-30 Year	Decrease from 40% to 0%