

SFE NOTICE NO. 152/05

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## Introduction of SFE Bond Index Futures Contracts

SFE is pleased to announce the launch of SFE Bond Index Futures, based on the AFMA Fixed Interest Adjusted Accumulation (Capital) Index – ‘the Index’. SFE Bond Index Futures are cash settled, with two quarterly expiries available for trade at all times. **Subject to regulatory approval, the March 2006 and June 2006 Bond Index Futures contracts will be listed for trade on 7 December 2005.**

### Commodity Code:

The SFE commodity code for Bond Index Futures is ‘BX’. The SFE Bond Index Futures will be displayed on SYCOM as ‘BX Commodity Futures’.

### Expiry Settlement Price

The expiry settlement price for SFE Bond Index Futures will be provided by AFMA on the Last Trading Day. The expiry settlement price will be calculated by AFMA based on contributions from 11 price providers for each component security in the Index. SFE Clearing will normally declare the Settlement Price by 12.00 noon on the Business Day following the Final Trading Day.

### Trading Mechanisms

Pre-negotiated Operating Rules are applicable for the Bond Index Futures contracts and any custom market spread strategies involving these contracts. There is no minimum volume threshold applicable for this type of trade. The minimum prescribed time between message and entry of orders will be 10 seconds for outright trading and 30 seconds for any custom market strategies.

A Block Trade Facility (BTF) will be available for the spot contract month (up to 5 days prior to expiry) in Bond Index Futures, with a minimum threshold of 200 lots applicable to each trade. SFE standard BTF procedures are applicable to these transactions.

### Exchange Fee

Exchange trading and settlement fees of AUD 0.90 (excluding GST) per contract per side will apply to the SFE Bond Index Futures contracts.

### Margins

Initial margins and margin concessions will be published on the SFE website prior to launch.

### Trading and Clearing Systems

SFE Participants and Software Vendors are reminded that an example of the Bond Index Futures is available on SFE’s SYCOM and SECUR Development Systems. Trading Systems connected to SYCOM Interfaces will be able to

download the new contract details on the production SYCOM system during the week prior to launch. Participants should therefore ensure all Trading and Clearing software systems are operationally ready prior to 7 December 2005. The SECUR codes will be made available prior to launch.

### Further Information

Information on the AFMA Fixed Interest Adjusted Accumulation (Capital) Index is available on the AFMA website, please [click here](#) to view.

Contract specifications for SFE Bond Index Futures are attached.

Should you have any queries please contact:

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## SFE Bond Index Futures Contract

(subject to ASIC regulatory approval)

<b>Underlying Commodity:</b>	AFMA Australian Fixed Interest Adjusted Accumulation Index (Capital Index) ( <a href="#">click here</a> to view the list of securities included in the Index)
<b>Contract Unit:</b>	Valued at A\$25 per index point fixed tick (e.g. A\$108,750 at 4,350.0 index points).
<b>Contract Months:</b>	March/June/September/December, available for trade up to two contract months ahead
<b>Commodity Code:</b>	BX
<b>Minimum Price Movement:</b>	0.5 index point (\$12.50), given 1 index point is equal to \$25 Quotation: 4350.0, 4350.5, 4351.0, 4351.5, 4352.0, etc
<b>Last Trading Day:</b>	Trading in the expiring contract ceases at 4:30 pm on the third Thursday of the settlement month
<b>Settlement Price Process:</b>	SFE will publish an interim settlement price at 4:30pm on the Last Trading Day. AFMA will calculate and provide SFE with the final index settlement price by 7pm on the Last Trading Day.
<b>Settlement Day:</b>	Settlement Day is the next business day after the Last Trading Day. SFE Clearing will normally declare the Settlement Price by 12.00 noon on the Business Day following the Final Trading Day. On the second business day after the Last Trading Day, SFE settles cash flows as a result of the settlement price.
<b>Trading Hours:</b>	5:14pm – 7:30am and 8:34am – 4:30pm <sup>1</sup> (US non daylight saving time <sup>2</sup> ) 5:14pm – 7:00am and 8:34am – 4:30pm <sup>1</sup> (US daylight saving time <sup>2</sup> )

<sup>1</sup> Unless otherwise indicated, all times are Sydney times.

<sup>2</sup> US daylight saving begins first Sunday in April and ends last Sunday in October.