

SFE NOTICE NO. 93/06

Date of Issue: 16 August 2006

Effective Date: 29 August 2006

Introduction of SFE NZ 30 Day Official Cash Rate Futures Contracts

Market participants are advised that SFE will launch the NZ 30 Day Official Cash Rate Futures contract at 8.30am (NZ time) on Tuesday 29 August 2006. The first contract month to be listed for trade will be September 2006.

The NZ 30 Day Official Cash Rate futures contract provides users with:

- A tool to hedge against fluctuations in the NZ cash rate and better manage daily cash exposures.
- Arbitrage opportunities against related OTC products such as Overnight Index Swaps.
- Spread trading opportunities against SFE's existing interest rate products including the NZ 90 Day Bank Bill Futures contract.
- An alternative to trading Overnight Index Swaps to manage cash exposure.
- Indicator of market expectations regarding Reserve Bank of NZ changes to the Official Cash Rate.

Key features

- Notional face value of NZD3,000,000
- Fixed tick of NZD24.66 per basis point
- Price quoted to 0.005%
- Cash settled based on the monthly average of the RBNZ published Official Target Cash Rate
- Cash Settlement Price calculated to 0.001%
- Available for trade monthly, out to 12 contract months

Commodity and Data Vendor Codes

The SFE commodity code for NZ 30 Day Official Cash Rate Futures is 'ZB'. The Data Vendor codes for NZ 30 Day Official Cash Rate Futures are attached. Further updates of the Data Vendor codes will be available from the SFE website (www.sfe.com.au).

Cash Settlement Price

The Cash Settlement Price is equal to 100 minus the cash settlement rate. The cash settlement rate is the monthly average of the Official Target Cash Rate, as determined by the Reserve Bank of New Zealand, divided by the number of days for the month. On weekends and public holidays, the Official Target Cash Rate from the previous business day will be used for the settlement price calculation. The cash settlement rate is rounded to the nearest multiple of 0.001.

Off Market Trading

Block trading will be permitted in the NZ 30 Day Official Cash Rate Futures contract. A volume threshold of 50 contracts will be applied.

Exchange Fee

The trading and mandatory settlement fee will be NZD1.50 (excluding GST). **This represents a reduction from the previously advised fee of NZD1.75 (excluding GST).** The Block Trade Registration fee will be NZD12.50 per deal per side.

Initial Margins

The following Initial Margin rates have been set for the NZ 30 Day Official Cash Rate Futures contract:

Contract: NZ 30 Day Official Cash Rate Futures (ZB)	Margin Rates
Price Scanning Range	NZD500
Inter Month Spread Charge	NZD200

A 70% Inter-commodity offset is available for NZ 30 Day Official Cash Rate Futures (ZB) versus NZ 90 Day Bank Bill Futures (BB) with a ratio of 1:1.

Trading and Clearing Systems

SFE Participants and Software Vendors are advised that the NZ 30 Day Official Cash Rate Futures is available via the External Development Environments in its entirety for trade/clearing date Thursday August 3rd.

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 29 August 2006. The SECUR codes will be made available prior to launch.

Market Maker Opportunities

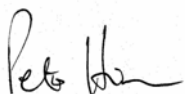
SFE is currently seeking expressions of interest from customers in becoming an Official Market Maker in the 30 Day Official Cash Rate Futures contract scheduled for launch in late August 2006. To obtain details on the obligations and benefits interested parties should contact Kristye van de Geer, Product Manager, Interest Rate Products on 612 9256 0489 or kvandeg@sfec.com.au for further information.

Further Information

Should you have any queries please contact:

Business Development: Kristye van de Geer, Product Manager, Interest Rate Products. Ph 612 9256 0489 or kvandeg@sfec.com.au

Business Operations: SFE Service Desk on 9256-0677 or servicedesk@sfec.com.au.



Peter Hiom
Group Executive, Business Development

SFE Corporation Limited
30 Grosvenor Street
Sydney Australia
+612 9256 0555
www.sfec.com.au
ABN 74 000 299 392

NZ 30 Day Official Cash Rate Futures

Contract Unit:	Average monthly RBNZ Official Cash Rate payable on a notional sum of NZD 3,000,000
Contract Months:	Monthly up to 12 months ahead
Commodity Code:	ZB
Listing Date:	29/08/2006
Minimum Price Movement:	Quoted in yield percent per annum in multiples of 0.005%, for quotation purposes yield is deducted from 100. A one basis point move of 0.01% is equal to NZD24.66
Last Trading Day:	Trading shall cease at 4.30pm on the last business day of the expiry month
Settlement Day:	The second business day after the Last Trading Day
Trading Hours:	5.40pm - 7.00am and 8.30am - 4.30pm ¹
Settlement Price:	The Cash Settlement Price is equal to 100 minus the cash settlement rate, where the cash settlement rate is the monthly average of the Official Cash Rate for that contract month calculated by taking the sum of the daily Official Cash Rate, as published by the Reserve Bank of New Zealand, divided by the number of days for that month. On weekends and public holidays, when no Official Cash Rate is published the Cash Rate published on the previous business day will be used for settlement price calculation. The cash settlement rate is rounded to the nearest multiple of 0.001. The Cash Settlement Price shall be announced to the market by 12.00pm on the first business day after the Last Trading Day. ¹
Settlement Method	All bought and sold contracts in existence as at the close of trading in the contract month shall be settled by SFE Clearing at the cash settlement price.
Position Limits	None
Daily Price Limit	None
CFTC Approval	Yes

Last Modified: 14/08/06

¹ Unless otherwise indicated, all times are New Zealand times.

MARKET DATA VENDOR CODES

NZ 30 Day Overnight Cash Rate Future

SFE CODE	ZB
TeleCommunication	NZB:
Bloomberg	KXA <Comdty>
Bourse Data	ZBmyy
CQG	HZB
FutureSource/e-signal	ZB [month][year]-SFE
IRESS	ZBmy
MarketCast	ZBym
Reuters	0#NZB:
Telekurs	ZBym,342
Thomson Financial	ZB/F.SY*