

SFE NOTICE NO. 109/06

Date of Issue: 20 September 2006

Effective Date: 20 September 2006

---

## SFE SPI 200™ Index Futures Contract Expiry – Market Information Update

As market users will be aware, the September 2006 expiry of the SFE SPI 200™ Index Futures contract takes place on Thursday, 21 September 2006 at 12:00 noon. The settlement price for this contract is drawn from the Special Opening Quotation of the underlying S&P/ASX 200 Index, which in turn is derived from the first traded price in each component stock in this Index on the contract's Last Trading Day.

In light of current futures holdings and potential strategies surrounding expiry, SFE wishes to ensure market awareness of the following factors.

As part of its market operator licence which imposes front-line market supervisory authority and obligations to ensure that its markets are fair, orderly and transparent, Exchange Surveillance personnel monitor trading activity and holdings approaching expiry, and initiate contact with relevant parties to gain adequate assurance as to traders' intentions and understanding of their obligation to trade in a manner consistent with the fair, orderly and transparent operation of SFE's markets. As a result of a number of such discussions in recent days, the Exchange has gained the necessary assurances regarding traders' intentions and strategies in meeting these obligations.

SFE recognises, however, that circumstances particular to the September contract have led to some traders accumulating larger-than-usual book holdings which they may seek to reduce by permitting futures positions to expire and physical contracts to be traded to offset risk. As a result, SFE wishes to advise traders that the aforementioned market activity has the potential to lead to a larger level of liquidity being provided in physical equity transactions during tomorrow's ASX opening price auction than has been seen at recent expiries.

SFE wishes to remind SPI 200™ Index Futures traders who are also active in other markets that they should comply with all rules and relevant guidance regarding trading on those markets, especially through the expiry process.

Should you have any queries in relation to the above, please contact Nick Gaut, Senior Market Analyst, Compliance & Surveillance, on (02) 9256-0414 or at [ngaut@sfe.com.au](mailto:ngaut@sfe.com.au).



Anne T. Brown  
General Manager, Risk and Compliance

SFE Corporation Limited  
30 Grosvenor Street  
Sydney Australia  
+612 9256 0555  
[www.sfe.com.au](http://www.sfe.com.au)  
ABN 74 000 299 392