



SFE NOTICE NO.

089/07

Date of Issue: 18 July 2007  
Effective Date: 20 July 2007

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## SFE Clearing Initial Margin Rates for Electricity Contracts

SFE Clearing Corporation has reviewed the price volatility of all d-cypha SFE Australian Electricity Futures contracts and has approved the margin changes shown in Attachment 1:

The recommended increases follow significant recent price volatility in most contracts. In establishing margin requirements, SFECC recognises the importance of maintaining a prudent balance between ensuring adequate deposits to fulfil its guarantee and avoiding any excess requirements that would have the effect of discouraging the liquidity and efficient operation of the market.

Initial Margins for the d-cypha SFE Electricity futures products will continue to be reviewed more frequently while volatility remains high and further increases may follow. Clearing Risk Operations monitors margin erosion using the existing margin erosion facility and any significant exposures are limited using the intra day margining process.

The revised margin parameters will be effective for open contracts as at close of business on **20 July 2007**, impacting margin calls made on **23 July 2007**.

Initial margin rates for all contracts are available on the ASX website at [www.asx.com.au](http://www.asx.com.au).

Should you have any queries in relation to the above, please contact the Clearing Risk Operations department on 9227-0236 or 9227 0532.

A handwritten signature in black ink, appearing to read 'Eddie Farah', is positioned to the left of a vertical red line.

Eddie Farah  
Senior Risk Analyst

## NOTICE CONTINUED

ATTACHMENT 1

<i>Contract</i>	<i>Current Price Scanning Range</i>	<i>NEW Price Scanning Range</i>
BNU2007	\$15,000	<b>\$30,000</b>
BNZ2007	\$12,000	<b>\$20,000</b>
BNU2008	\$12,000	<b>\$16,600</b>
BNH2009	\$12,000	<b>\$15,000</b>
BNM2009	\$10,900	<b>\$11,000</b>
BVU2007	\$15,000	<b>\$25,000</b>
BVZ2007	\$12,000	<b>\$20,000</b>
BQU2007	\$15,000	<b>\$25,000</b>
BQZ2007	\$12,000	<b>\$20,000</b>
BQM2008	\$12,000	<b>\$17,800</b>
BQU2008	\$12,000	<b>\$20,000</b>
BQH2009	\$12,000	<b>\$20,000</b>
BQM2009	\$12,000	<b>\$15,600</b>
PNU2007	\$11,900	<b>\$18,200</b>
PNZ2007	\$12,000	<b>\$20,000</b>
PNM2008	\$10,100	<b>\$13,800</b>
PVU2007	\$15,000	<b>\$21,000</b>
PVZ2007	\$12,000	<b>\$20,000</b>
PQU2007	\$15,000	<b>\$21,600</b>
GNU2007	\$4,500	<b>\$10,700</b>
GVU2007	\$6,100	<b>\$9,000</b>
GQU2007	\$950	<b>\$15,000</b>