



SFE NOTICE NO. 153/08

Date of Issue: 21 October 2008
Effective Date: 23 October 2008

SFE Clearing Initial Margin Rates – Index and Debt Spread Margin Rates

SFE Clearing Corporation has reviewed the price volatility of the Index and Debt Contracts and has approved the spread margin changes as shown in **Attachment 1**.

The adjustments follow SFECC's ongoing review of the Index and Debt Contracts given current market conditions and in particular the recent extreme price moves. Moreover, Participants are advised that further rate changes may be required at short notice as SFECC responds to further market volatility.

The revised margin parameters will be effective for open contracts as at close of business on **Thursday 23rd October 2008**, impacting on margin calls made on **Friday 24th October 2008**.

Participants are encouraged to advise all relevant clients of this Initial Margin change on a timely basis.

Initial margin rates for all SFE contracts are available on the ASX Website at www.asx.com.au

Should you have any queries in relation to the above, please contact the Clearing Risk Operations department on 9227-0595 or 9227-0532.

A handwritten signature in black ink, appearing to be 'Melissa Wong', written over a horizontal line.

Melissa Wong
Risk Analyst

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Australia

NOTICE CONTINUED

ATTACHMENT 1

Inter-Month Spread Charge

Contract	Price Scanning Range
SPI200™	Increase from \$725 to \$1,780
90 Day Bank Accepted Bill	TIERED (see below)
30 Day Interbank Cash Rate	TIERED (see below)
3 Year Government Bond (6% Coupon)	Decrease from \$540 to \$190
10 Year Government Bond (6% Coupon)	Decrease from \$410 to \$390

Tiered Inter-Month Spread Details – 90 Day Bank Accepted Bill

90 Day Bank Accepted Bill	Months in Tier	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Tier 1	1					
Tier 2	2 to 3	\$ 625	\$ 410			
Tier 3	4 to 8	\$ 1,675	\$ 1,455	\$ 655		
Tier 4	9 to 12	\$ 1,985	\$ 1,715	\$ 1,150	\$ 435	
Tier 5	13 to 20	\$ 2,055	\$ 1,835	\$ 1,155	\$ 620	\$ 500

Tiered Inter-Month Spread Details – 30 Day Interbank Cash Rate

30 Day Cash Rate	Months in Tier	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Tier 1	1					
Tier 2	2 to 4	\$ 1,450	\$ 900			
Tier 3	5 to 8	\$ 1,715	\$ 1,165	\$ 325		
Tier 4	9 to 12	\$ 1,425	\$ 530	\$ 475	\$ 505	
Tier 5	13 to 18	\$ 1,510	\$ 1,850	\$ 1,830	\$ 1,350	\$ 520

Span Inter Commodity Concessions

Contracts	Delta Spread Ratio	% Credit per Leg of Spread
10 Year Government Bond 6% Coupon : 3 Year Government Bond	1:3	70%
30 Day Interbank Cash Rate : 90 Day Bank Bill	1:1	40%
3 Year Government Bond 6% Coupon : 90 Day Bank Bill	1:1	20%
10 Year Government Bond 6% Coupon : 90 Day Bank Bill	Will be removed	0%
30 Day Interbank Cash Rate : 3 Year Government Bond 6% Coupon	1:1	40%