



SFE NOTICE NO. 169/08

Date of Issue: 5 November 2008

Effective Date: 7 November 2008

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## SFE Initial Margin Rates – Young Cattle & Wool Contracts

SFE Clearing Corporation has reviewed the price volatility of the Young Cattle and Wool contracts and has approved the margin changes as shown in Attachment 1.

The adjustments follow SFECC's ongoing review of these contracts given current market conditions and in particular recent extreme price moves.

The revised margin parameters will be effective for open contracts as at close of business on **Friday 7<sup>th</sup> November 2008**, impacting on margin calls made on **Monday 10<sup>th</sup> November 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](http://www.asx.com.au)

Should you have any queries in relation to the above, please contact the Clearing Risk Operations department on 9227-0018 or 9227 0532.

A handwritten signature in black ink, appearing to read 'Kristiana Tjang', is positioned above the printed name and title.

**Kristiana Tjang**  
**Risk Analyst**

ASX Limited  
20 Bridge Street  
Sydney NSW 2000  
Australia

## NOTICE CONTINUED

ATTACHMENT 1

### Price Scanning Range

Contract	Price Scanning Range
Broad Wool	Increase from \$545 to \$1,380
Fine Wool	Increase from \$2,945 to \$6,005
Wool Deliverable (Greasy)	Increase from \$960 to \$1,515
Young Cattle	Decrease from \$855 to \$805

### Inter-Month Charge

Contract	Price Scanning Range
Broad Wool	Increase from \$325 to \$1,375
Fine Wool	Increase from \$3,320 to \$6,005
Young Cattle	Decrease from \$745 to \$640

### Tiered Inter-Month Spread Details

	Wool Deliverable	Months in Tier	Tier 1	Tier 2	Tier 3
1	Tier 1	1			
2	Tier 2	2 to 5	\$775	\$375	
3	Tier 3	6 to 9	\$745	\$370	\$520

### Span Inter Commodity Concessions

Contracts	Delta Spread Ratio	% Credit per Leg of Spread
Fine Wool : Deliverable Wool	1:1	70%
Deliverable Wool : Broad Wool	1:1	40%
Fine Wool : Broad Wool	1:1	70%