ASX
AUSTRALIAN SECURITIES EXCHANGE

SFE NOTICE NO. 130/09

Date of Issue: 27 July 2009
Effective Date: 31 July 2009

SFE Clearing Stress Test Scenario Parameter: Moving from Points to Percentages

An enhancement to SFECC's stress testing application has been implemented to enable the scenarios used to generate daily AIMs obligations to reflect prevailing prices and market conditions. To date, percentage based scenarios have been converted to points, requiring frequent changes to the parameters to ensure the stress scenarios keep pace with changes in market prices. Following the enhancement Stress Test scenarios will be based on the percentage shifts in the underlying contract (Yield will be shifted for Debt contracts) which means scenarios will be dynamic and adjust daily to moves in market prices.

The percentage scenarios are set out in Attachment 1. The changes are not expected to have any significant impact on current AIMs obligations.

The new Stress Test parameters will be effective for open contracts in the SPI200, 90 Day Bank Bill, 3 Year Government Bond Future and 10 Year Government Bond Future as at close of business on 31 July 2009, impacting any AIMs calls made on 3 August 2009.

For further information on the matters covered in this Notice, please contact either Eddie Farah on 02 9227 0236 or David Seare on 02 9227 0532.

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A T T A C H M E N T 1

Scenario	Description	AP	AP Implied Volatility Multiplier	IR	IR Implied Volatility Multiplier	YT	YT Implied Volatility Multiplier	XT	XT Implied Volatility Multiplier
1	Equities Up, Parallel Up	7.7%	2	8.8%	1.5	7.1%	1.5	6.0%	1.5
2	Equities Down, Parallel Up	-10.5%	2	8.8%	1.5	7.1%	1.5	6.0%	1.5
3	Equities Down, Parallel Down	-10.7%	2	-8.8%	1.5	-7.1%	1.5	-6.7%	1.5
4	Equities Up, Parallel Down)	7.5%	2	-8.8%	1.5	-7.1%	1.5	-6.7%	1.5
5	Tilt (back end up)	4.0%	2	0.0%	1.5	4.0%	1.5	6.0%	1.5
6	Tilt (back end up)	-5.5%	2	0.0%	1.5	4.0%	1.5	6.0%	1.5
7	Twist (front end down)	4.0%	2	-6.0%	1.5	0.0%	1.5	2.8%	1.5
8	Twist (front end down)	-5.5%	2	-6.0%	1.5	0.0%	1.5	2.8%	1.5
9	Tilt (front end down)	4.0%	2	-11.0%	1.5	-4.0%	1.5	0.0%	1.5
10	Tilt (front end down)	-5.5%	2	-11.0%	1.5	-4.0%	1.5	0.0%	1.5
11	Tilt (back end down)	4.0%	2	0.0%	1.5	-4.0%	1.5	-8.0%	1.5
12	Tilt (back end down)	-5.5%	2	0.0%	1.5	-4.0%	1.5	-8.0%	1.5
13	Twist (front end up)	4.0%	2	5.5%	1.5	0.0%	1.5	-4.0%	1.5
14	Twist (front end up)	-5.5%	2	5.5%	1.5	0.0%	1.5	-4.0%	1.5
15	Tilt (front end up)	4.0%	2	15.0%	1.5	4.0%	1.5	0.0%	1.5
16	Tilt (front end up)	-5.5%	2	15.0%	1.5	4.0%	1.5	0.0%	1.5
17	Bend (middle up)	4.0%	2	-6.0%	1.5	8.0%	1.5	-4.0%	1.5
18	Bend (middle up)	-5.5%	2	-6.0%	1.5	8.0%	1.5	-4.0%	1.5
19	Bend (middle down)	4.0%	2	5.5%	1.5	-8.0%	1.5	2.8%	1.5
20	Bend (middle down)	-5.5%	2	5.5%	1.5	-8.0%	1.5	2.8%	1.5
21*	Single contract move (SPI200 up)	9.5%	2	0.0%	1.5	0.0%	1.5	0.0%	1.5
22	Single contract move (IR up)	0.0%	2	15.0%	1.5	0.0%	1.5	0.0%	1.5
23	Single contract move (YT up)	0.0%	2	0.0%	1.5	12.0%	1.5	0.0%	1.5
24	Single contract move (XT up)	0.0%	2	0.0%	1.5	0.0%	1.5	7.5%	1.5
25	Single contract move (SPI200 down)	-18.5%	2	0.0%	1.5	0.0%	1.5	0.0%	1.5
26	Single contract move (IR down)	0.0%	2	-15.5%	1.5	0.0%	1.5	0.0%	1.5
27	Single contract move (YT down)	0.0%	2	0.0%	1.5	-13.0%	1.5	0.0%	1.5
28	Single contract move (XT down)	0.0%	2	0.0%	1.5	0.0%	1.5	-12.5%	1.5
29	Parallel Up	0.0%	2	11.7%	1.5	8.8%	1.5	6.8%	1.5
30	Parallel Down	0.0%	2	-12.5%	1.5	-8.8%	1.5	-10.0%	1.5

* Reduced from 14.5% given current market conditions.