



SFE NOTICE NO. 157/09

Date of Issue: 2 September 2009
Effective Date: 4 September 2009

SFE Clearing Initial Margin Rates – Debt and Equity Margin Rates

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

The adjustments follow SFECC's ongoing review of these contracts and reflect current market conditions. Moreover, Participants are advised that further rate changes may be required at short notice as SFECC continually monitors ongoing market volatility.

The revised margin parameters will be effective for open contracts as at close of business on **Friday 4 September 2009**, impacting on margin calls made on **Monday 7 September 2009**.

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 9227-0532 or 9227-0236.

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ASX Limited
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NOTICE CONTINUED

ATTACHMENT 1

Price Scanning Range

Contract	Price Scanning Range
30 Day Interbank Cash Rate	Decrease from \$1,100 to \$1,050
3 Year Government Bond (6% Coupon)	Increase from \$1,100 to \$1,150
10 Year Government Bond (6% Coupon)	Decrease from \$3,200 to \$2,900
SPI200™	Decrease from \$6,600 to \$6,000

Volatility Scanning Range

Contract	Volatility Scanning Range
SPI200™	Decrease from 3.6% to 3.0%

Inter-Month Spread Charge

Contract	Inter-month Charge
SPI200™	Increase from \$400 to \$500
90 Day Bank Accepted Bill	TIERED (see below)
30 Day Interbank Cash Rate	TIERED (see below)
3 Year Government Bond (6% Coupon)	Increase from \$115 to \$165
10 Year Government Bond (6% Coupon)	Increase from \$215 to \$275

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
1	Tier 1	1					
2	Tier 2	2 to 3	\$350	\$190			
3	Tier 3	4 to 8	\$485	\$385	\$370		
4	Tier 4	9 to 12	\$605	\$615	\$620	\$260	
5	Tier 5	13 to 20	\$615	\$610	\$620	\$265	\$150

NOTICE CONTINUED

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

	30 Day Interbank Cash Rate	Months in Tier	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
1	Tier 1	1					
2	Tier 2	2 to 4	\$200	\$170			
3	Tier 3	5 to 8	\$410	\$380	\$250		
4	Tier 4	9 to 12	\$635	\$605	\$470	\$230	
5	Tier 5	13 to 20	\$635	\$605	\$470	\$290	\$175

Span Inter Commodity Concessions

	Contracts	Delta Spread Ratio	% Credit per Leg of Spread
1	10 Year Government Bond 6% Coupon : 3 Year Government Bond 6% Coupon	1:2	90%
2	30 Day Interbank Cash Rate : 90 Day Bank Bill	1:1	95%
3	3 Year Government Bond 6% Coupon : 90 Day Bank Bill	1:1	85%
4	10 Year Government Bond 6% Coupon : 90 Day Bank Bill	1:4	90%
5	30 Day Interbank Cash Rate : 3 Year Government Bond 6% Coupon	1:1	80%

Note: Margin rates are determined taking into account both statistical measures and qualitative factors to ensure margin rates provide SFECC with adequate cover against adverse price moves under normal market conditions. In setting margin rates, factors that may be considered include implied volatility, historic volatility over shorter and longer data sets, absolute price movements and specific market events.