

Screen Dealing Bulletin No: 27/01

From: SFE Corporation Limited ABN 74 000 299 392

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#### PRE-DEFINED RATIOS IN 90 DAY BANK BILL/ THREE YEAR TREASURY BOND INTER-COMMODITY AND STRIP TRADE FACILITY

The introduction of the Three Year and Ten Year Treasury Bond contracts with a 6% coupon has resulted in a change in the tick values of these contracts. This has necessitated an adjustment to the pre-defined ratios for the IRYT Inter-commodity product and the Strip Trade facility.

As of the effective date the IRYT Inter-commodity spread will trade at a ratio determined by the following equation.

YTU1 tick value at 9460	=	\$27.63
IRU1 tick value at 9508	=	\$24.07
10 X \$24.07 (IR tick value)	=	\$240.70
divided by \$27.63 (YT tick value)	=	8.712
rounded	=	9

Therefore, using a Three Year Treasury Bond price of 9460 and a 90 Day Bank Bill spot price of 9508 generates an IRYT Inter-commodity ratio of 10:9. The Strip Trade facility will trade at the same defined ratio as the IRYT Inter-commodity spread.

As a consequence the minimum available quantity for an IRYT Inter-commodity spread will be 10 IR contracts by 9 YT contacts.

This adjustment will allow a more accurate hedge for 90 Day Bank Bill, Three Year Treasury Bond spread trades. The IRYT ratio will be calculated daily as for all other Inter-commodity spreads.

**Please note that where an Inter-commodity spread market is available, Inter-commodity trades may not take place on the Custom Market.**

# S F E B U L L E T I N C O N T I N U E D

## INTEREST RATE AND EQUITY OPTION SETTLEMENT


Please be advised that commencing trade date 18 June 2001, SFE will begin the migration of Interest-rate and Equity Option settlement onto SYCOM®. The effect will be the display of interim and final settlement price via the SYCOM® market pages. It is envisaged that this change will optimise the dissemination of option settlement prices in a more timely manner. The proposed timetable for the migration of Interest-rate and Equity Option products is as follows:

90 Day Bank Bills	18 June 2001
Three and Ten Year Treasury Bonds	25 June 2001
Equity Index Options	2 July 2001

## ONO EXPIRY PRICES

Further to Circular 50/01, effective trade date 18 June 2001, all ONO products will settle via a trade weighted algorithm.

Should you have any queries please contact David Raper, Deputy Manager Trading Operations on 9256-0554 or [draper@sfe.com.au](mailto:draper@sfe.com.au)



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