

CIRCULAR TO: ALL MEMBERS

CIRCULAR NO: 76/00

LISTING OF SPI200™ FUTRES & OPTIONS

Members are advised that the Board of the Sydney Futures Exchange has today chosen the S&P/ASX 200 index as the underlying index for SFE's new SPI® replacement contract.

The new contract will be known as SPI 200™ futures and options and will be listed for trading on **Tuesday 2 May 2000**. The first contract month listed will have a June 2000 expiry.

Contract specifications for SPI 200™ futures and options are attached.

Further information including a SPI 200™ Question and Answer guide are available on SFE's website - www.sfe.com.au.

Should Members have any other questions or comments, they should contact the undersigned via email: schambers@sfe.com.au or phone (02) 9256-0171.

STEPHEN CHAMBERS
MANAGER - FINANCIAL PRODUCTS MARKETING

14 APRIL 2000

CONTRACT SPECIFICATION –SPI 200™ FUTURES AND OPTIONS

Contract	Futures	Futures Options
ITC Commodity Code	AP	AP
Option Style	-	American
Underlying	S&P/ASX 200 Index	SPI 200™ Futures Contract
Contract Size	Valued at AUD 25 per Index Point	Valued at AUD 25 per Index Point
Price/Premium Quotation	Quoted in 1 index points premium	Quoted in 0.1 index points premium
Minimum Price Fluctuation (Tick)	1 index point = 1 tick = AUD \$25	0.1 Index points = 1 tick = AUD \$2.50
Contract Cycle	6 contract months of the March, June, September and December cycle.	
Last Trading Day	The last business day of the contract month. Trading ceases at the end of the day's trading session.	
First Trading Day/Time	The beginning of the day trading session on the first trading day following the last trading day of the previous contract month.	
Strike Prices		Set at intervals of 25 index points apart. New option exercise prices created automatically as the underlying index moves.
Daily Settlement Marked to Market	Mid point between the last futures Bid and Offer is used	Black model for theoretical value is used, using the futures price as the underlying asset. A consensus implied volatility is used for the at-the-money position, and a SFE volatility skew is used for option positions away from the money.
Expiry Settlement Price	Contracts are cash settled at the official closing price of the S&P/ASX 200 Index, calculated to 1 decimal price, as adjusted and provided by S&P to the Clearing House at 12.00 noon on the business day following the last day of trading.	
Option Exercise		In-the-money options are automatically exercised at expiration, unless specified otherwise by the customer.
		Option exercise prior to expiry results in the holder receiving a futures position at the options strike price.
Margin	Margin information (margin calculation, list of collateral, etc) can be obtained from SFECH. Options premiums are margined	
Trading Hours	9:50am to 16:30pm SYCOM® IV day session 17:10pm to 8:00am SYCOM® IV night session – Summer Time 17:10pm to 7:00am SYCOM® IV night session – Winter Time	
Daily Settlement Time	16:30pm Australian Eastern Standard Time	
Expiry Settlement Time	16:30pm Australian Eastern Standard Time	

	Serial Options
Contract Months	Serial options are listed in non-financial quarter months with two serial options months listed at all times. Options are based on the futures contract, which expires in the financial quarter month immediately following the relevant serial month.
Settlement Price	Settlement price is taken from the underlying futures market at 12:30pm. Obtained by taking the midpoint between the futures bid and ask quotations rounded up.
Last Trading Day	The last business day of the contract month. Trading ceases at 12:30pm.