

SFE CIRCULAR:**NO. 196/00****OVERNIGHT OPTIONS ON 90-DAY BANK ACCEPTED BILL FUTURES**

SFE will launch Overnight Options on the 90-Day Bank Accepted Bill Futures contract on **Tuesday 14 November 2000.**

The addition of Overnight Options on 90-Day Bank Bill Futures will give portfolio managers and other institutional investors, a flexible and cost efficient means of managing their overnight interest rate exposures. It will also give professional option market makers and traders an additional tool with which to take leveraged market exposure.

Overnight options are European exercise style options with the settlement price determined during the first ten minutes of bank bill futures trading. Exercise of an option results in the holder of the option receiving a futures position at the option strike price.

The contract specifications and quote vendor codes for Overnight Options on 90-Day Bank Bill Futures are detailed below.

OVERNIGHT OPTIONS ON 90-DAY BANK ACCEPTED BILLS FUTURES	
Contract Unit:	One A\$1,000,000 face value 90-Day Bank Accepted Bill Futures contract for the specified contract months on the Sydney Futures Exchange.
Contract Months:	Put and call options available on futures contracts for the nearest and next quarter months.
Commodity Code:	IO
Minimum Price Move:	Quoted in yield per cent per annum in multiples of 0.005 per cent.
Exercise Prices:	Set at intervals of 0.01 per cent per annum yield. Nine option exercise prices are available for trading with additional strike prices listed at the discretion of the SYCOM Manager or the Chief Executive of SFE.
Contract Expiry:	At the cessation of each SYCOM night session.
Trading Hours:	5:10pm – 7:30am
Settlement Method:	All options that are in-the-money are automatically exercised on the business day immediately following the SYCOM session. Exercise of an option results in the holder receiving a futures position in the underlying contract at the options strike price. Bid and offer quotations are obtained from the underlying futures contracts at 8.32am, 8.34am, 8.36am, 8.38am and 8.40am on the business day immediately following the SYCOM session. The arithmetic mean of these quotations is then taken and the settlement prices are calculated. Calculation of the settlement prices is to 3 decimal places. When the third decimal place is five or above, the arithmetic mean is rounded up to the next highest decimal place.

	90 DAY BANK BILLS			
	Futures	Options	Approved Banks	ONO
SFE Code	IR	IR	-	IO
AAP "AMQ"	IR	IR	SFEW	IO
ADP	IR	IR	-	IO
Bloomberg	IRA<CMDTY>	IRA<CMDTY> OMON	-	IZmyC <CMDTY>
Bourse Data	IR	IR	-	-
Bridge "Bridge Station"	AU@IR	AU@IR	-	AU@IO
Bridge "Telerate"	6181/88	22709-12	22924	-
COG	HB	HB	-	-
BridgeDFS "IRESS"	IR+	IR+	-	-
E.I.S	IR	IR	-	IO
FutureSource	AIR	CAIR/PAIR	-	-
Info Express	UQ165	-	-	IO
MarketCast	IR	IR	-	IO
MarketSource	IR	-	-	-
Orange	SF BILL	-	-	-
Primark	ABBmmyy	-	-	-
Resource Data	IR	-	-	-
Reuters "Beacon"	FIR	FIR	-	FIO
Reuters "REUTERS-2000"	0#2YBA:	0#2YBAmy+	SFE/DET4	0#YIOZ0+
Comstock "S&P Aspen Graphics"	1MIRmy	1MIRmy	-	-
ComStock "S&P ProphetX"	MIRmy	MIRmy	-	-
Telekurs	IR	IR	-	3,IOym,359

For further information on Overnight Options on 90-day Bank Bill Futures please contact the undersigned on 02 9256 0489 or by email (kvandege@sfe.com.au), or visit the SFE website www.sfe.com.au

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