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From: SFE Corporation Limited ABN 74 000 299 392

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SFE TO LAUNCH INTRA-DAY OPTIONS ON 3-YEAR AND 10-YEAR TREASURY BOND FUTURES

SFE Corporation Limited intends to launch Intra-day Options on the spot quarter month of the 3-Year and 10-Year Treasury Bond futures contracts. **Participants and vendors are requested to ensure that their front and back-office systems and procedures are operationally ready for the launch in early second quarter 2002.** The product launch date will be announced approximately two weeks prior to listing.

Intra-day Options are similar in design to the successful Overnight Option contracts launched in 1993 having a one-session life span and expiring at the end of that session. Intra-day Options will be listed each morning, opening at 8.30am and closing at 4.30pm in line with the underlying futures contracts. The Intra-day Option expiry prices will be determined as the weighted average of trade prices in the underlying contract sampled between 4.20pm and 4.30pm on that trading day.

The contract specifications for Intra-day Options on 3-Year Treasury Bond and 10-Year Treasury Bond futures contracts are attached. SFE contract and ITC codes are YD and XD with underlying futures YT and XT respectively. Intra-day Options will be displayed on SYCOM as "YD Overnight Option" and "XD Overnight Option" with fractional indicators set to three decimal places. The "Overnight Option" description has been used to reduce the time and operational risk associated with changing this standard option description for this style of product.

Option Exercise and Abandonments

As European exercise style options, Intra-day Options can not be manually exercised during the trading day. The expiry process will be similar to the process used for Overnight Options, that is, all in-the-money options will be automatically exercised into futures contracts. All at-the-money and out-of-the-money options will be automatically abandoned. No manual exercise and abandonments will be permitted. All Intra-day Option positions will be exercised and abandoned at 5.20pm. Clearing Participants will have until 7.30pm to allocate and net down futures positions created as a result of automatic exercise.

Expiry Settlement Prices

The expiry settlement price will be released to the market at 4.35pm via the SYCOM message facility. Clearing Participants and Back Office Accounting Providers will receive the expiry settlement prices via the OM SECUR message facility. The expiry settlement prices will also be included in the enhanced SPAN file released to Clearing Participants and Back Office Accounting Providers by no later than 6.30pm.

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

Should you have any queries please contact the following:

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**INTRA-DAY OPTIONS ON 3-YEAR COMMONWEALTH TREASURY BOND
FUTURES**

Contract Unit:	One A\$100,000 face value, 6% coupon, 3-Year Treasury Bond Futures contract for a specified contract month on the Sydney Futures Exchange Limited.
Contract Months:	Put and call options available on futures contracts for the nearest quarter month ahead.
Commodity Code:	YD
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 Trading Manager or the Chief Executive of SFE.
Contract Expiry:	At the cessation of the SYCOM day session.
Last Day of Trading:	The business day prior to the last day of trading in the underlying futures contract. On the last day of trading of the underlying futures contract put and call options will be listed on the next quarter month.
Trading Hours:	8.30am – 4.30pm
Settlement Method:	All options, which are in-the-money, are automatically exercised. Exercise of an option results in the holder receiving a futures position at the options strike price. The settlement price is the weighted average of trade prices executed in the underlying futures contract between 4.20pm and 4.30pm. Calculation of the settlement price is to three decimal places and rounded to 2 decimal places. When the third decimal place is five or above, the weighted average of trade prices is rounded up to the next highest decimal place.

**INTRA-DAY OPTIONS ON 10-YEAR COMMONWEALTH TREASURY BOND
FUTURES**

Contract Unit:	One A\$100,000 face value, 6% coupon, 10-Year Treasury Bond Futures contract for a specified contract month on the Sydney Futures Exchange Limited.
Contract Months:	Put and call options available on futures contracts for the nearest quarter month ahead.
Commodity Code:	XD
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 Trading Manager or the Chief Executive of SFE.
Contract Expiry:	At the cessation of the SYCOM day session.
Last Day of Trading:	The business day prior to the last day of trading in the underlying futures contract. On the last day of trading of the underlying futures contract put and call options will be listed on the next quarter month.
Trading Hours:	8.30am – 4.30pm
Settlement Method:	All options, which are in-the-money, are automatically exercised. Exercise of an option results in the holder receiving a futures position at the options strike price. The settlement price is the weighted average of trade prices executed in the underlying futures contract between 4.20pm and 4.30pm. Calculation of the settlement price is to four decimal places. When rounding, if the third and fourth decimal places are two and five or seven and five respectively, the weighted average of trade prices is rounded up to the next highest multiple of 0.005 per cent.