



**SFE Bulletin No:** 51/02

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## **SFE ANNOUNCES NEW OFFICIAL MARKET MAKERS FOR INDIVIDUAL SHARE FUTURES CONTRACTS**

As part of the continuing initiative to increase liquidity in SFE Individual Share Futures contracts, SFE is pleased to announce the appointment of the following Official Market Makers:

**Optiver Australia Pty Ltd  
 Timber Hill Australia Pty Ltd**

SFE believes that the continuous presence of Official Market Makers will significantly improve price discovery, liquidity and market integrity in Individual Share Futures and play an important role in the further development of this market.

Official Market Makers in SFE Equity Products are now:

<b>Firm/Product</b>	<b>SPI 200™ options</b>	<b>Individual Share Futures</b>
Optiver Australia Pty Ltd	✓	✓
Timber Hill Australia Pty Ltd	✓	✓

### **Overview of Commitments**

Official Market Makers are committed to:

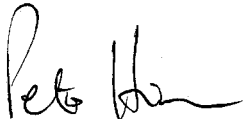
- Provide continuous, two-way prices, within a defined bid/offer spread, in the first two quarterly contracts for all deliverable ISF's and the first six months for all cash settled ISF's.
- Respond to Request for Quotes in all ISF contracts outside those continuously quoted.

For the further details of Official Market Maker commitments, please refer to Appendix One.

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

## **Further Information**

For further information in relation to this Bulletin contact Martyn Wild – Manager, Equity Products, SFE Business Development on 9256 0178.

A handwritten signature in black ink, appearing to read 'Peter Hiom', written in a cursive style.

Peter Hiom  
**General Manager, Strategy and Business Development**

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## Appendix 1: SFE Individual Share Futures Market Making Scheme – Summary of Obligations

### Continuous Quotation

- (a) The Market Maker will, via an automated market making system (the “System”):
- (i) Provide continuous two-way quotes in the products, months, bid/offer spread and volume, as detailed below,

Product	Months	Maximum Bid / Offer Spread	Minimum Volume per Side
All Deliverable ISF's	First and Second Quarters	Underlying Stock Price: Below \$1.00 = 4 cents \$1.01 to \$10.00 = 6 cents \$10.01 to \$20.00 = 8 cents \$20.01 and above = 10 cents	Underlying Stock Price: Below \$10.00 = 10 Lots \$10.01 and above = 5 Lots
All Cash-Settled ISF's	First Six Months	Underlying Stock Price: Below \$1.00 = 4 cents \$1.01 to \$10.00 = 6 cents \$10.01 to \$20.00 = 8 cents \$20.01 and above = 10 cents	Underlying Stock Price: Below \$10.00 = 10 Lots \$10.01 and above = 5 Lots

And

- (ii) Such quotes will be maintained for a minimum of 60% (cumulatively) of the time between 10.00am and 4.10pm Australian Eastern Standard Time

### Request For Quote

- (a) The Market Maker will respond to a Request For Quote (RFQ), received via the Exchange's Request For Quote Facility, with:
- (i) A two way quote for contracts in the products, months, bid/offer spread and volume, as detailed below,

Product	Months	Maximum Bid / Offer Spread	Minimum Volume per Side
All ISF's	All Quarters/Months Not Continuously Quoted	Best Endeavours	Best Endeavours

And

- (ii) Such quotes will be maintained for a minimum of 75% (cumulatively) of the number of RFQ's received between 10.00am and 4.10pm Australian Eastern Standard Time
- (b) Market Makers will use their best endeavours to respond to RFQs prior to 10.00am and after 4:10pm.
- (c) The Market Maker's response to a RFQ will be released to SYCOM® within ten (10) seconds of the Market Maker receiving each RFQ and available to the market for a period of not less than 30 seconds.

### Limitations of the Obligations

The Market Maker may immediately cease the input of bids and offers and response to RFQs, or increase spread ranges, in the following circumstances:

- (i) Five (5) minutes either side of scheduled stock specific data releases;
- (ii) Lack of availability or disruption of the performance of SYCOM®, the exchange trading system of the underlying stock or the System;

- (iii) Inability of the Market Maker to access SYCOM® via the SYCOM® Interface;
- (iv) When the underlying stock/ISF is suspended.