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**THE SFE NEW ZEALAND BROAD WOOL FUTURES CONTRACT –
CONTRACT SPECIFICATIONS AND DETERMINATIONS**

Further to Bulletin 21/04 and ahead of tomorrow's listing of the SFE New Zealand Broad Wool Futures Contract, attached are Individual Contract Specifications and various Determinations relating to the Contract.

Should you have any queries please contact Anthony Collins on 9256-0664 or acollins@sfe.com.au

A handwritten signature in black ink that reads 'Barbara Jones'.

Barbara Jones
Senior Legal Counsel

ATTACHMENT 1 – INDIVIDUAL CONTRACT SPECIFICATIONS

6.74 New Zealand Broad Wool (Cash Settled) Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	Two thousand five hundred (2,500) kilograms net clean weight of clean cross bred full and second shear wool of 36-40 microns mean fibre diameter.
1.2	Type of Contract	Cash settled.
2	Contract Value	The price agreed to by the parties at the time of making the Contract (in New Zealand cents per kilogram clean) multiplied by two thousand five hundred (2,500).
3	Settlement Price	The SFE New Zealand 36 - 40 Micron Indicator published by Tectra Limited (Tectra) or its successor on the Final Trading Day and declared as the Settlement Price by SFE Clearing at such time as shall be determined by SFE Clearing.
4	Settlement Value	The Settlement Price for the Settlement Day (in New Zealand cents per kilogram clean), multiplied by two thousand five hundred (2,500).
5	Exclusion of Liability	<p>Subject to the right of the Exchange under Rule 1.4 to direct that Contracts be settled at a price other than that determined in accordance with the Individual Contract Specifications, the Exchange and SFE Clearing shall be entitled to regard the information received from Tectra or its successors as being conclusive and final.</p> <p>Failure by the Exchange, or Tectra, or SFE Clearing, or any entity on behalf of those parties, to provide or obtain the relevant information necessary for calculating the Settlement Price, or any inaccuracies created before or during the calculation or in the transmission thereof shall not lead to a party having a claim whatsoever against Tectra, SFE Clearing or the Exchange, and the provisions of Rule 1.4 shall apply.</p>
6	Inability for SFE Clearing to declare Settlement Price and Undesirable Situations	If a situation is developing or has developed which is capable of preventing SFE Clearing from declaring the Settlement Price in accordance with these Individual Contract Specifications, or if an Undesirable Situation within the meaning of Rule 1.4 is developing or has developed, then the provisions of that Rule 1.4 shall apply and any provision of these Operating Rules which cannot be complied with until the price has been declared shall be complied with as soon as possible after it has been declared.

Explanatory Note:

All currency is in NZ\$. All times are New Zealand times.

The terms of all New Zealand Broad Wool futures contracts comprise a combination of:

- the Individual Contract Specifications set out above; and
- the generic specifications set out elsewhere in the Rules.

As to the generic specifications, see in particular Rule 6.2:

- (a) which provides for determinations by the Exchange as to
 - the units in which prices are to be quoted by participants when submitting orders
 - the Final Trading Day in a Settlement Month
 - the time at which trading ceases on the Final Trading Day
 - the Settlement Date
 - the final times by which the Seller's and Buyer's obligations, respectively, must be satisfied on the Settlement Day
 - the Settlement Months in which a Final Trading Day for a contract occurs; and
- (b) which also sets out the effect of the contract in terms of the obligations to pay in cash or receive in cash, respectively, the difference between the contract Value and the Settlement Value.

Pursuant to the generic terms/specifications for all contracts that are set out in Rule 6 providing for various Determinations by the Exchange, the actual Determinations (which do not themselves constitute terms of the contracts) are set out, for information, in the

separate document “Procedures, Determinations and Practice Notes” (this document does not form part of the Rules).

For example, the generic term/specification in Rule 6.2 relating to the Final Trading Day for this contract day is as follows

“Final Trading Day” – such business day as is determined by the Exchange. The actual determination made by the Exchange is “The third Friday of the Settlement Month, or if that day is not a Business Day, the Business Day following that day”.

[Link to Procedures for determination.](#)

DETERMINATIONS MADE PURSUANT TO INDIVIDUAL CONTRACT SPECIFICATIONS

New Zealand Broad Wool (Cash Settled) Futures

Ref Rule	Subject	Determinations
6.2.3	Manner of quoting Futures Prices.	New Zealand cents per kilogram clean weight.
6.2.3	Minimum fluctuations to be used in quoting Futures Prices.	New Zealand \$0.01 per kilogram.
6.1.4	Trading Hours.	New Zealand Summer Time: Day Session: 3.00 pm to 4.00 pm New Zealand Winter Time: Day Session: 3.00 pm to 4.00 pm.
6.2.3	Settlement Months.	February, April, June, August, October, December up to 18 calendar months ahead.
6.2.3	Final Trading Day in a Settlement Month.	Third Friday in the settlement month or if that day is not a Business Day the Business Day immediately preceding that day.
6.2.3	Time at which trading ceases on Final Trading Day.	4.00 pm New Zealand Time.
6.2.3	Settlement Day.	First Business Day after the Final Trading Day.
6.2.3	Final Time by which Seller's obligations must be satisfied.	1.30pm New Zealand Time on the Settlement Day.
6.2.3	Final Time by which Buyer's obligations, must be satisfied.	12.30pm New Zealand Time on the Settlement Day.
Item 3.	Time of declaration of Settlement Price.	4.00 pm New Zealand Time on the Final Trading Day.

OTHER DETERMINATIONS

(a) Tick Range

The tick range for the New Zealand Broad Wool Futures Contracts is as follows:

Futures Contracts	Tick Range
New Zealand Broad Wool	10

(b) Pre-Negotiated Business Orders Rules

New Zealand Broad Wool Futures Contract	
Prescribed Time Period	
- All Futures and Custom Market Strategies	2 minutes
Minimum Volume Threshold	1