

TO:

CLEARING MEMBERS
FLOOR MEMBERS
LOCAL MEMBERS
ASSOCIATE MEMBERS
BACK OFFICE ACCOUNTING SUPPLIERS

NO: 17/00

SFE INITIAL MARGIN RATES AND SPAN¹ PARAMETERS

A review of the current SFE Initial Margin Rates and SPAN Parameters, have resulted in a reduction for all Electricity contracts, which are detailed in the attached schedule tables. The Price Scanning Range and Inter-month Spread have been changed to reflect current market conditions.

The revised SPAN parameters will be effective for open contracts as at close of business **Friday, 3rd March 2000** impacting on margin calls made on **Monday, 6th of March 2000.**

SFE SPAN parameters are available on Reuters pages **SFE/SPAN** and **SFE/SPREAD** and the SFE Website **www.sfe.com.au/**.

If you have any queries in respect to these or any other SPAN parameters, please contact the Risk Management Department on 9256 0417 or 9256 0553.

STEPHEN ANSCHAU
RISK ANALYST

29th February 2000

¹ SPAN and Standard Portfolio Analysis of Risk are trademarks of the Chicago Mercantile Exchange. The Chicago Mercantile Exchange assumes no liability with the use of SPAN by any person or entity.

SFE INITIAL MARGIN RATES & SPAN PARAMETERS
(Effective from 6-03-2000)

	Commodity Name	Code	Price Scan Range (per lot)	Inter Month Spread Charge (per spread)	% Volatility Scan Range	Short Option Minimum charge	Effective Date
1	All Ordinaries SPI*	AO	\$2500	\$250	3.50%	\$13	23/02/2000
2	90 Day Bank Accepted Bill	IR	\$500	Tiered	0.12%	\$24	23/02/2000
3	3 Year Government Bond	YB	\$700	\$150	1.00%	\$15	23/02/2000
4	10 Year Government	XB	\$2000	\$200	2.00%	\$40	23/02/2000
5	Dow Jones AP/ELS Australia***	AI	\$2600	\$200	3.50%	-\$13	10/01/2000
6	ANZ ISF	AN	\$525	\$175	-	-	10/01/2000
7	BHP ISF	BH	\$900	\$450	-	-	10/01/2000
8	RIO ISF	CA	\$1475	\$500	-	-	10/01/2000
9	FBG ISF	FB	\$250	\$90	-	-	10/01/2000
10	MIM ISF	IM	\$100	\$35	-	-	10/01/2000
11	NAB ISF	NB	\$1100	\$370	-	-	10/01/2000
12	NCP ISF	NU	\$1575	\$525	-	-	23/02/2000
13	PDP ISF	PC	\$200	\$70	-	-	10/01/2000
14	TLS ISF	TE	\$425	\$145	-	-	10/01/2000
15	WBC ISF	BC	\$500	\$170	-	-	10/01/2000
16	WMC ISF	WM	\$600	\$300	-	-	10/01/2000
17	Fine Wool	FW	\$950	\$800	-	-	10/01/2000
18	Wool Deliverable	GW	\$600	Tiered	4.00%	\$13	10/01/2000
19	Broad Wool	BW	\$650	\$600	-	-	10/01/2000
20	Wheat	WH	\$450	\$300	5.00%	\$13	23/02/2000
21	NSW Electricity**	NE	\$1100	\$900	-	-	6/03/2000
22	VIC Electricity**	VE	\$1400	\$1100	-	-	6/03/2000
23	NSW Peak-Period Electricity**	NX	\$1800	\$1300	-	-	6/03/2000
24	VIC Peak-Period Electricity**	VX	\$2200	\$1800	-	-	6/03/2000

* The spot month isolation rate for the AO contract is \$125

** The spot month isolation rate for the NE,VE,NX and VX contracts is \$100

SFE TIERED INTER-MONTH SPREAD DETAILS
(Effective from 6-03-2000)

	90 Day Bank Accepted Bill	Months in Tier	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
1	Tier 1	1	-				
2	Tier 2	2 to 3	\$300	\$175			
3	Tier 3	4 to 8	\$425	\$200	\$150		
4	Tier 4	9 to 12	\$450	\$350	\$225	\$175	
5	Tier 5	13 to 20	\$675	\$650	\$650	\$650	\$500

	Wool Deliverable	Months in Tier	Tier 1	Tier 2	Tier 3
1	Tier 1	1	-		
2	Tier 2	2 to 5	\$400	\$200	
3	Tier 3	6 to 9	\$400	\$300	\$300

SFE SPAN INTER COMMODITY CONCESSIONS
(Effective from 6-03-2000)

	Contracts	Delta Spread Ratio	% Credit per Leg of Spread
1	10 Year Government Bond : 3 Year Government Bond	1:3	70%
2	3 Year Government Bond : 90 Day Bank Accepted Bill	1:1	65%
3	10 Year Government Bond : 90 Day Bank Accepted Bill	1:4	60%
4	All Ordinaries SPI : Individual Share Future	n/a	50%
5	All Ordinaries SPI : Dow Jones AP/ELS Australia*	1:1	90%
6	Individual Share Future : Individual Share Future	n/a	40%
7	Fine Wool : Deliverable Wool	1:1	50%
8	Fine Wool : Broad Wool	1:1	50%
9	Deliverable Wool : Broad Wool	1:1	50%