



SFE NOTICE NO.

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## Introduction of Tiered Margin Offsets and Improved Spread Concessions for 30 Day Interbank Cash Rate Futures

ASX recently conducted a review of the correlations between the 30 Day Interbank Cash Rate Futures contract and the other SFE benchmark Interest Rate products as well as between the individual 30 Day Interbank Cash Rate Futures contract months.

The analysis indicated strong correlations and supported the implementation of tiered inter-month spread margins and an increase of the 30 Day Interbank Cash Rate Futures (IB) versus 3 Year Government Bond Interest Rate (YT) Inter Commodity spread.

**As at close of business 1 October 2007 and impacting margin calls on the 2 October 2007** the following changes will be implemented:

- The IB – YT Inter-commodity Concession will be increased to 70% (from the previous rate of 50%)
- The application of the tiered inter-month spread rates as set out in the table below

### Intermonth Spread Parameters

Months in Tier	Tiers	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
1	Tier 1					
2 to 4	Tier 2	\$300	\$210			
5 to 8	Tier 3	\$410	\$270	\$210		
9 to 12	Tier 4	\$430	\$300	\$220	\$150	
13 to 18	Tier 5	\$480	\$310	\$250	\$250	\$250

For further information on Initial Margins and spread concessions please contact Eddie Farah on +612 9227 0236 or [eddie.farah@asx.com.au](mailto:eddie.farah@asx.com.au)

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