



SFE NOTICE NO.

078/08

Date of Issue: 16 June 2008

Effective Date: 20 June 2008

New Zealand Cash & Debt Option Margin Rates

SFE Clearing Corporation has reviewed the price volatility of all New Zealand Cash & Debt Options and has approved the margin changes as shown in Attachment 1.

The adjustments follow SFECC's ongoing review of New Zealand Cash & Debt Options given current market volatility and price levels. Clearing Risk Operations monitors margin erosion using the existing margin erosion facility and any significant exposures are limited using the intra day margining process.

The revised margin parameters will be effective for open contracts as at close of business on **Friday 20th June 2008**, impacting on margin calls made on **Monday 23rd June 2008**.

Participants are encouraged to advise all relevant clients of this Initial Margin change on a timely basis.

Initial margin rates for all SFE contracts are available on the SFE Website at www.sfe.com.au

Should you have any queries in relation to the above, please contact the Clearing Risk Operations department on 9227-0595 or 9227-0532.

A handwritten signature in black ink, appearing to be 'Melissa Wong', written over a light blue horizontal line.

Melissa Wong
Risk Analyst

ASX Limited
20 Bridge Street
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Australia



NOTICE CONTINUED

ATTACHMENT 1

Price Scanning Range

Contract	Price Scanning Range
The ZIF (NZSE 15 Index Futures Contract)	Increase from \$2,620 to \$2,630
30 Day Official Cash Rate Futures	Increase from \$250 to \$610
90 Day Bank Bill	Increase from \$320 to \$1,030
3 Year Government Bond (8% Coupon)	Decrease from \$660 to \$640

Inter-Month Spread Charge

Contract	Price Scanning Range
The ZIF (NZSE 15 Index Futures Contract)	Decrease from \$880 to \$290
30 Day Official Cash Rate Futures	Increase from \$100 to \$385
90 Day Bank Bill	TIERED (see below)
3 Year Government Bond (8% Coupon)	Increase from \$205 to \$525
10 Year Government Bond (8% Coupon)	Increase from \$380 to \$600

Volatility Scan Range

Contract	Price Scanning Range
3 Year Government Bond (8% Coupon)	Increase from 1.00% to 1.48%
10 Year Government Bond (8% Coupon)	Increase from 1.50% to 4.02%

NZ Tiered Inter-Month Spread Details

90 Day Bank Bills	Months in Tier	Tier 1	Tier 2	Tier 3	Tier 4
Tier 1	1				
Tier 2	2 to 3	\$ 370	\$ 190		
Tier 3	4 to 8	\$ 445	\$ 745	\$ 380	
Tier 4	9 to 12	\$ 585	\$ 770	\$ 445	\$ 295

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