



SFE NOTICE NO.

094/08

Date of Issue: 16 July 2008
Effective Date: 1 August 2008

Re-listing of 3 and 10 Year Interest Rate Swap Futures Contracts

Market Participants are advised that the ASX will re-list 3 and 10 Year Interest Rate Swap Futures contracts at 5.10pm on 31 July 2008. The first contract month to be listed for trade will be September 2008.

Key features

- Two quarter months listed at any one time.
- Inter-commodity spread trading available between the Treasury Bond and Swap Futures
- Inter-commodity margin offsets available against the Treasury Bond and Bank Bill Futures
- Minimum price increment of 0.005 per cent
- Cash settled against the AFMA *data* 10.00am swap reference rates for the 3 and 10 year swaps.
- Application of pre-negotiated Business Rules allowing Participants to withhold orders and solicit counterparties before executing the arranged trade on SYCOM.

The contract specifications and amended SFE Operating Rules are attached.

Commodity and Data Vendor Codes

The SFE commodity codes for the 3 and 10 Year Interest Rate Swap Futures contracts are YS and XS, respectively. The Data Vendor codes will be available on the ASX website (www.asx.com.au) prior to launch.

Cash Settlement Price

The cash settlement price is determined as 100 minus the AFMA *data* 10.00am swap reference rate for the 3 and 10 year maturities on the Last Trading Day. The Last Trading Day is the Business Day preceding the second Friday of the expiry month.

Market Makers and Liquidity Provision

Market Participants interested in providing Market Making or liquidity provision activity to support the 3 and 10 Year Interest Rate Swaps Futures are requested to contact Kristye van de Geer on +612 9227 0130 or kristye.vandeger@asx.com.au for further information.

Exchange Fee and Margin Rates

The Trading and Mandatory Settlement fees are AUD 0.90 (excluding GST).

The Initial Margin rates, Inter-commodity spread concessions and Inter-month spread charges will be published one week prior to launch.



Trading and Clearing Systems

Trading Systems connected to SYCOM® Interfaces will be able to download the new contract details on the production SYCOM® system during the week prior to launch. Participants should therefore ensure all Trading and Clearing software systems are operationally ready prior to 1 August 2008. The SECUR codes for the 3 and 10 Year Interest Rate Swap Futures contracts are YS and XS, respectively.

Should you have any queries please contact Kristye van de Geer on +612 9227 0130 or kristye.vandeger@asx.com.au

A handwritten signature in black ink, appearing to read 'Maurice Farhart', with a small dot at the end.

Maurice Farhart
General Manager, Interest Rate Markets

ASX Limited
20 Bridge Street
Sydney NSW 2000
Australia

3 Year Interest Rate Swap Futures

Contract Unit:	AUD100,000 swap based on a 6.5% coupon and a term to maturity of three years.
Contract Months:	March/ June/September/December up to two quarter months ahead
Commodity Code:	YS
Minimum Price Move:	Prices are quoted in yield per cent per annum in multiples of 0.005%. For quotation purposes the yield is deducted from an index of 100. The minimum fluctuation of 0.005% equals approximately \$14 per contract, varying with the level of interest rates.
Last Day of Trading:	The Business Day preceding the second Friday of an expiry month. Trading ceases at 12:00 noon ¹ .
Trading Hours:	5.14pm - 7.00am and 8.34am - 4.30pm ¹ (during US daylight saving time) ² 5.14pm - 7.30am and 8.34am - 4.30pm ¹ (during US non daylight saving time) ²
Settlement Day:	The business day following the last permitted day of trading.
Settlement Method:	The Settlement Price shall be 100 minus the 3 year AFMA 10.00am swaps reference rate, as determined by AFMA Services Pty Limited. The reference rate will be rounded to the nearest 0.005%. All bought and sold contracts in existence as at the close of trading in the contract month shall be settled by the SFE Clearing Corporation at the cash settlement price. ¹

Last Modified: 18/06/08

¹ Unless otherwise indicated, all times are Sydney times.

² US daylight saving begins second Sunday in March and ends first Sunday in November.

10 Year Interest Rate Swap Futures

Contract Unit:	AUD100,000 swap based on a 6.5% coupon and a term to maturity of ten years.
Contract Months:	March/ June/September/December up to two quarter months ahead
Commodity Code:	XS
Minimum Price Move:	Prices are quoted in yield per cent per annum in multiples of 0.005%. For quotation purposes the yield is deducted from an index of 100. The minimum fluctuation of 0.005% equals approximately \$36 per contract, varying with the level of interest rates.
Last Day of Trading:	The Business Day preceding the second Friday of an expiry month. Trading ceases at 12:00 noon ¹ .
Trading Hours:	5.14pm - 7.00am and 8.34am - 4.30pm ¹ (during US daylight saving time) ² 5.14pm - 7.30am and 8.34am - 4.30pm ¹ (during US non daylight saving time) ²
Settlement Day:	The business day following the last permitted day of trading.
Settlement Method:	The Settlement Price shall be 100 minus the 10 year AFMA 10.00am swaps reference rate, as determined by AFMA Services Pty Limited. The reference rate will be rounded to the nearest 0.005%. All bought and sold contracts in existence as at the close of trading in the contract month shall be settled by the SFE Clearing Corporation at the cash settlement price. ¹

Last Modified: 18/06/08

¹ Unless otherwise indicated, all times are Sydney times.

² US daylight saving begins second Sunday in March and ends first Sunday in November.

Operating Rules and Determinations

6.23 Ten Year Interest Rate Swap Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	The fixed rate yield on a Fixed for Floating Interest Rate Swap which has: <ul style="list-style-type: none"> (i) a notional value of \$A100,000; (ii) a notional term to maturity of ten years; (iii) a fixed coupon rate in respect of each settlement month, as determined by the Exchange.
1.2	Coupon Rate	The coupon rate for each Settlement Month may be determined: <ul style="list-style-type: none"> (i) prior to that Settlement Month being listed; or (ii) after the Settlement Month has been listed, provided that no Open Positions in Ten Year Interest Rate Swap Futures Contracts or Options over those futures Contracts exist in that Settlement Month at the time of the rate variation.
1.3	Type of Contract	Cash settled.
2	Contract Value	$1000 \times [c (1 - v)^{20} / i + 100v^{20}]$ (expressed in Australian Dollars) <p>where $i = \frac{\text{one half the contract price}}{100}$</p> <p>and $v = 1/(1 + i)$</p> <p>and $c = \text{coupon rate}/2$</p> <p>The calculation within the brackets shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.</p>
3	Settlement Price	<p>The Settlement Price shall be 100 minus the 10 year AFMA 10.00am swaps reference rate, as determined by AFMA Services Pty Limited.</p> <p>SFE Clearing will declare the Settlement Price at such time as it shall determine.</p>
4	Settlement Value	$1000 \times [c (1 - w)^j + 100w^{20}]$ (expressed in Australian Dollars) <p>where $j = \frac{\text{one half the settlement price}}{100}$</p> <p>and $w = 1/(1 + j)$</p> <p>and $c = \text{coupon rate}/2$</p> <p>The calculation within the brackets shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.</p>
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 numerical value provided by AFMA Services Pty Limited or its duly authorised agent as being conclusive evidence of the swaps reference rate at the time determined by the Exchange.</p> <p>In the event of AFMA Services Pty Limited failing to provide such quotation or providing a quotation that is numerically inaccurate, no party shall make any claim whatsoever against AFMA Services Pty Limited, its duly authorised agents, 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	<p>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.</p>

Ref Rule	Subject	Determinations
6.23 Item 1(iii)	Coupon Rate	6.5 per cent
6.2.3	Manner of quoting Futures Price	Yield per cent per annum. For quotation purposes the Futures Price shall be deducted from 100.00.
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples to be of 0.005 per cent.
6.23 Item 2	Calculation of Contract Value	The calculation within the brackets in the formula shall be carried out to eight decimal places and rounded to the nearest cent, 0.500 cents being rounded up).
6.2.3	Time Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 10.30 am on the Final Trading Day
6.1.4	Trading Hours	5.14pm-7.00am & 8.34am-4.30pm (US daylight saving time) 5.14pm-7.30am & 8.34am-4.30pm (US non daylight saving time)
6.2.3	Settlement Months	March, June, September and December up to two Quarter Months ahead
6.2.3	Final Trading Day	The Business Day immediately prior to the Settlement Day.
6.2.3	Trading ceases on final trading day	At 12.00 noon.
6.2.3	Settlement Day	The second Friday of the Settlement Month.
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day

6.24 Three Year Interest Rate Swap Futures Contract

Item	Heading	Individual Contract Specifications
1.1	Contract Unit	The fixed rate yield on a fixed for floating Interest Rate Swap which has: (i) a notional value of A\$100,000; (ii) a notional term to maturity of three years; (iii) a fixed coupon rate in respect of each Settlement Month, as determined by the Exchange.
1.2	Coupon Rate	The coupon rate for each Settlement Month may be determined: (i) prior to that Settlement Month being listed; or (ii) after the Settlement Month has been listed, provided that no Open Positions in Three Year Interest Rate Swap Futures Contracts or Options over those Futures Contracts exist in that Settlement Month at the time of the rate variation.
1.3	Type of Contract	Cash settled.
2	Contract Value	$1000 \times \left[c \frac{(1 - v)^6}{i} + 100v \right]$ (expressed in Australian Dollars) where $i = \frac{\text{one half the Contract Price}}{100}$ and $v = 1/(1 + i)$ and $c = \text{coupon rate}/2$ The calculation within the brackets shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.
3	Settlement Price	The Settlement Price shall be 100 minus the 3 year AFMA 10.00am swaps reference rate, as determined by AFMA Services Pty Limited. SFE Clearing will declare the Settlement Price at such time as it shall determine.

4	Settlement Value	$1000 \times [c (1 - w)^{\frac{6}{j}} + 100w]^{\frac{6}{j}}$ (expressed in Australian Dollars) where $j = \frac{\text{one half the Settlement Price}}{100}$ and $w = 1/(1 + j)$ and $c = \text{coupon rate}/2$ The calculation within the brackets shall be carried out to the number of decimal places determined by the Exchange and rounded in the manner determined by the Exchange.
5.1	Manner of Determining Settlement Price	The Contract is based on the yield of the fixed rate side of a 3-year interest rate swap with a fixed coupon rate determined in accordance with Item 1.1(iii) that exchanges quarterly fixed rate payments against quarterly floating rate payments based on the quarterly Bank Bill Swap Reference Rate (BBSW).
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 numerical value provided by AFMA Services Pty Limited or its duly authorised agent as being conclusive evidence of the swaps reference rate at the time determined by the Exchange.</p> <p>In the event of AFMA Services Pty Limited failing to provide such quotation or providing a quotation that is numerically inaccurate, no party shall make any claim whatsoever against AFMA Services Pty Limited, its duly authorised agents, 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 Settlement Price has been declared shall be complied with as soon as possible after it has been declared.

Ref Rule	Subject	Determinations
6.24.1 Item 1(iii)	Coupon Rate	6.5 per cent
6.2.3	Manner of quoting Futures Price	Yield per cent per annum. For quotation purposes the Futures Price shall be deducted from 100.00.
6.2.3	Minimum fluctuations for quoting Futures Price	Multiples to be of 0.005 per cent.
6.24 Item 2	Calculation of Contract Value	The calculation within the brackets in the formula shall be carried out to eight decimal places and rounded to the nearest cent, 0.500 cents being rounded up.
6.2.3	Time Settlement Price is declared	SFE Clearing will normally declare the Settlement Price by 10.30 pm on the Final Trading Day
6.1.4	Trading Hours	5.14pm-7.00am & 8.34am-4.30pm (US daylight saving time) 5.14pm-7.30am & 8.34am-4.30pm (US non daylight saving time)
6.2.3	Settlement Months	March, June, September and December up to two Quarter Months ahead
6.2.3	Final Trading Day	The Business Day immediately prior to the Settlement Day.
6.2.3	Trading ceases on Final Trading Day	At 12.00 noon.
6.2.3	Settlement Day	The second Friday of the Settlement Month.
6.2.3	Final time by which Seller's obligations must be satisfied	12.00 noon on the Settlement Day
6.2.3	Final time by which Buyer' obligations must be satisfied	10.30 am on the Settlement Day