

**CIRCULAR**  
January 8, 2004

**FUTURES CONTRACT MARGIN REQUIREMENTS AND  
INDEX PRODUCTS FLOATING MARGIN RATES**

Bourse de Montréal Inc. (the "Bourse") sets futures margin rates and index products floating margin rates, and updates these rates when market conditions justify. Considering the recent changes in these conditions, the Bourse in collaboration with the Canadian Derivatives Clearing Corporation (CDCC), has determined that futures contract margin rates, in the case of speculators and hedgers, be modified as follows:

<b>FUTURES CONTRACTS</b>	<b>MARGIN TYPE</b>	<b>PREVIOUS RATE</b>	<b>NEW RATE</b>
<b>BAX</b> - Three-month Canadian Bankers' Acceptance	Speculator	<b>\$600</b>	<b>\$650</b>
	Hedger	<b>\$500</b>	<b>\$600</b>
<b>SXF</b> - S&P/TSX 60 Index	Speculator	<b>\$3,000</b>	<b>\$2,900</b>
	Hedger	<b>\$2,800</b>	<b>\$2,800</b>
<b>CGB</b> - Ten-year Canadian Government Bond	Speculator	<b>\$2,000</b>	<b>\$1,900</b>
	Hedger	<b>\$1,900</b>	<b>\$1,800</b>
<b>SXA</b> - S&P/TSX Capped Gold Index	Speculator	<b>\$4,500</b>	<b>\$5,200</b>
	Hedger	<b>\$4,300</b>	<b>\$4,900</b>
<b>SXB</b> - S&P/TSX Capped Financials Index	Speculator	<b>\$850</b>	<b>\$850</b>
	Hedger	<b>\$800</b>	<b>\$800</b>
<b>SXH</b> - S&P/TSX Capped Information Technology Index	Speculator	<b>\$1,200</b>	<b>\$1,200</b>
	Hedger	<b>\$1,100</b>	<b>\$1,100</b>
<b>SXY</b> - S&P/TSX Capped Energy Index	Speculator	<b>\$1,100</b>	<b>\$1,500</b>
	Hedger	<b>\$1,000</b>	<b>\$1,400</b>
<b>ONX</b> - 30-Day Overnight Repo Rate	Speculator	<b>\$650</b>	<b>\$450</b>
	Hedger	<b>\$600</b>	<b>\$400</b>
<b>FNT</b> - Nortel Networks Corporation	Speculator	<b>22.00%</b>	<b>19.25%</b>
	Hedger	<b>18.00%</b>	<b>15.25%</b>

Circular no.: 004-2004

The following is a summary of the various margin rates for the futures contracts listed at Bourse de Montréal Inc.

MARGIN TYPE	S&P/TSX SECTORIAL FUTURES CONTRACTS			
	SXA	SXB	SXH	SXY
<b>SPECULATOR</b> <sup>1</sup> (simple position)	\$5,200	\$850	\$1,200	\$1,500
<b>HEDGER</b> <sup>1</sup> (simple position)	\$4,900	\$800	\$1,100	\$1,400
<b>SPREADS</b>	\$ 100	\$ 100	\$ 100	\$ 100

MARGIN TYPE	FUTURES CONTRACTS				
	BAX	SXF	CGB	ONX	FNT
<b>SPECULATOR</b> <sup>1</sup> (simple position)	\$650	\$2,900	\$1,900	\$ 450	19.25 % <sup>2</sup>
<b>HEDGER</b> <sup>1</sup> (simple position)	\$600	\$2,800	\$1,800	\$ 400	15.25 % <sup>2</sup>
<b>SPREADS</b>	\$155	\$ 350	\$ 200	\$ 132	\$ 5

1. The "Speculator" designation applies to all clients, except acceptable institutions, acceptable counterparties, regulated entities and bona fide hedgers, as defined in the Rules and Policies of the Bourse.
2. The margin requirements for the FNT are defined as a percentage and must be applied by using the futures contract settlement price.

In regards to index products floating margin rates, the following rates have been determined:

FLOATING MARGIN RATE	PREVIOUS RATE	NEW RATE
Basket of S&P/TSX 60 Index Securities	3.75%	3.50%
S&P/TSX 60 Index Participation Units	3.50 %	3.50%

These new margin requirements **will be effective on Friday, January 9, 2004.**

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