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<input type="checkbox"/>	Trading – Equity and Index Derivatives	<input type="checkbox"/>	Technology
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CIRCULAR
January 7, 2005

**FUTURES CONTRACT MARGIN REQUIREMENTS,
INDEX PRODUCTS FLOATING MARGIN RATES AND
TRACKING ERROR MARGIN RATES**

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

FUTURES CONTRACTS	MARGIN TYPE	PREVIOUS RATE	NEW RATE
ONX - 30-Day Overnight Repo Rate	Speculator	\$1,000	\$1,100
	Hedger	\$900	\$1,000
BAX - Three-month Canadian Bankers' Acceptance	Speculator	\$550	\$550
	Hedger	\$500	\$500
CGZ - Two-year Canadian Government Bond	Speculator	\$600	\$650
	Hedger	\$500	\$600
CGB - Ten-year Canadian Government Bond	Speculator	\$1,800	\$1,900
	Hedger	\$1,700	\$1,800
SXF - S&P/TSX 60 Index	Speculator	\$3,500	\$3,500
	Hedger	\$3,300	\$3,300
SXA - S&P/TSX Capped Gold Index	Speculator	\$3,600	\$3,400
	Hedger	\$3,400	\$3,200
SXB - S&P/TSX Capped Financials Index	Speculator	\$900	\$1,100
	Hedger	\$800	\$1,000
SXH - S&P/TSX Capped Information Technology Index	Speculator	\$1,500	\$1,400
	Hedger	\$1,400	\$1,300
SXY - S&P/TSX Capped Energy Index	Speculator	\$2,000	\$2,300
	Hedger	\$1,900	\$2,200

Circular no.: 004-2005

FUTURES CONTRACT MARGIN REQUIREMENTS

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

MARGIN TYPE	INDEX FUTURES CONTRACTS				
	SXF	SXA	SXB	SXH	SXY
SPECULATOR ¹ (simple position)	\$3,500	\$3,400	\$1,100	\$1,400	\$2,300
HEDGER ¹ (simple position)	\$3,300	\$3,200	\$1,000	\$1,300	\$2,200
SPREADS	\$350	\$100	\$100	\$100	\$100

MARGIN TYPE	INTEREST RATE FUTURES CONTRACTS			
	ONX	BAX	CGZ	CGB
SPECULATOR ¹ (simple position)	\$1,100	\$550	\$650	\$1,900
HEDGER ¹ (simple position)	\$1,000	\$500	\$600	\$1,800
SPREADS	\$132	\$107	\$200	\$200

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.

FLOATING MARGIN RATES

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

FLOATING MARGIN RATES	BASKET OF INDEX SECURITIES		INDEX PARTICIPATION UNITS	
	PREVIOUS RATE	NEW RATE	PREVIOUS RATE	NEW RATE
S&P/TSX 60 Index	3.50%	3.50%	3.25%	3.25%
S&P/TSX Capped Gold Index	8.00%	8.25%	8.00%	7.75%
S&P/TSX Capped Financials Index	2.75%	3.50%	2.75%	2.75%
S&P/TSX Capped Information Technology Index	8.75%	8.25%	8.75%	8.50%
S&P/TSX Capped Energy Index	5.25%	5.75%	5.25%	5.25%

TRACKING ERROR MARGIN RATES

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

TRACKING ERROR MARGIN RATES	PREVIOUS RATE			NEW RATE		
	Index and IPU	Index and Futures	IPU and Futures	Index and IPU	Index and Futures	IPU and Futures
S&P/TSX 60 Index	1.00%	1.25%	1.50%	1.00%	1.25%	1.50%
S&P/TSX Capped Gold Index	1.25%	1.00%	1.50%	1.25%	0.75%	1.50%
S&P/TSX Capped Financials Index	1.00%	1.25%	1.50%	1.00%	1.25%	1.50%
S&P/TSX Capped Information Tech. Index	1.75%	1.50%	2.25%	1.75%	1.50%	2.25%
S&P/TSX Capped Energy Index	1.00%	0.75%	1.25%	1.00%	0.75%	1.25%

These new margin requirements **will be effective for the close of business on Monday, January 10, 2005.**

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