

**TO: Approved Participants  
Futures Contracts Principals  
Futures Traders  
Restricted Trading Permit Holders**

**January 10, 2002**

**FUTURES CONTRACTS - MARGIN REQUIREMENTS**

Bourse de Montréal Inc. monitors futures margin rates on an ongoing basis and updates these rates when market conditions justify it. Considering the recent changes in these conditions, the Risk Management Committee, in collaboration with the Canadian Derivatives Clearing Corporation ("CDCC") has recently determined that futures contracts margin rates, in the case of speculators and hedgers, be modified as follows:

FUTURES CONTRACTS	MARGIN TYPE	PREVIOUS RATE	NEW RATE
SXF - S&P Canada 60 Index	Speculator	\$5,800	\$5,700
	Hedger	\$5,500	\$5,400
CGB - Ten-year Canadian Government Bond	Speculator	\$3,000	\$2,400
	Hedger	\$2,900	\$2,300
CGF - Five-year Canadian Government Bond	Speculator	\$3,100	\$2,400
	Hedger	\$2,900	\$2,300
FNT - Nortel Networks Corporation	Speculator	25.75%	26.75%
	Hedger	22.75%	23.75%

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

MARGIN TYPE	FUTURES CONTRACTS				
	BAX	SXF	CGB	CGF	FNT
<b>SPECULATOR</b> <sup>1</sup> (simple position)	\$750	\$5,700	\$2,400	\$2,400	26.75 % <sup>2</sup>
<b>HEDGER</b> <sup>1</sup> (simple position)	\$700	\$5,400	\$2,300	\$2,300	23.75 % <sup>2</sup>
<b>SPREADS</b>	\$151	\$600	\$75 CGB/CGF: \$370	\$370	\$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.
2. The margin requirements for the FNT are defined as a percentage and must be applied by using the future contract settlement price.

These new margin requirements **will be effective Friday, January 11, 2002.**

For further information, please contact Frank Barillaro, Senior Analyst, Market Surveillance, Regulatory Division, at (514) 871-4949, extension 240.

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