

<input type="checkbox"/>	Trading – Interest Rate Derivatives	<input checked="" type="checkbox"/>	Back-office - Options
<input type="checkbox"/>	Trading – Equity and Index Derivatives	<input type="checkbox"/>	Technology
<input checked="" type="checkbox"/>	Back-office – Futures	<input type="checkbox"/>	Regulation

**CIRCULAR**  
March 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:

<b>FUTURES CONTRACTS</b>	<b>MARGIN TYPE</b>	<b>PREVIOUS RATE</b>	<b>NEW RATE</b>
<b>ONX</b> - 30-Day Overnight Repo Rate	Speculator	\$1,100	<b>\$1,100</b>
	Hedger	\$1,000	<b>\$1,000</b>
<b>BAX</b> - Three-month Canadian Bankers' Acceptance	Speculator	\$550	<b>\$550</b>
	Hedger	\$500	<b>\$500</b>
<b>CGZ</b> - Two-year Canadian Government Bond	Speculator	\$600	<b>\$600</b>
	Hedger	\$550	<b>\$500</b>
<b>CGB</b> - Ten-year Canadian Government Bond	Speculator	\$1,800	<b>\$1,700</b>
	Hedger	\$1,700	<b>\$1,600</b>
<b>SXF</b> - S&P/TSX 60 Index	Speculator	\$3,550	<b>\$3,650</b>
	Hedger	\$3,350	<b>\$3,450</b>
<b>SXA</b> - S&P/TSX Capped Gold Index	Speculator	\$3,350	<b>\$3,500</b>
	Hedger	\$3,150	<b>\$3,300</b>
<b>SXB</b> - S&P/TSX Capped Financials Index	Speculator	\$1,150	<b>\$1,200</b>
	Hedger	\$1,050	<b>\$1,100</b>
<b>SXH</b> - S&P/TSX Capped Information Technology Index	Speculator	\$1,300	<b>\$1,250</b>
	Hedger	\$1,200	<b>\$1,150</b>
<b>SXY</b> - S&P/TSX Capped Energy Index	Speculator	\$2,450	<b>\$2,700</b>
	Hedger	\$2,350	<b>\$2,600</b>

Circular no.: 037-2005

**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
<b>SPECULATOR</b> <sup>1</sup> (simple position)	\$3,650	\$3,500	\$1,200	\$1,250	\$2,700
<b>HEDGER</b> <sup>1</sup> (simple position)	\$3,450	\$3,300	\$1,100	\$1,150	\$2,600
<b>SPREADS</b>	\$350	\$100	\$100	\$100	\$100

MARGIN TYPE	INTEREST RATE FUTURES CONTRACTS			
	ONX	BAX	CGZ	CGB
<b>SPECULATOR</b> <sup>1</sup> (simple position)	\$1,100	\$550	\$600	\$1,700
<b>HEDGER</b> <sup>1</sup> (simple position)	\$1,000	\$500	\$500	\$1,600
<b>SPREADS</b>	\$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%	<b>3.25%</b>	3.25%	<b>3.25%</b>
S&P/TSX Capped Gold Index	8.00%	<b>8.00%</b>	7.50%	<b>7.25%</b>
S&P/TSX Capped Financials Index	3.50%	<b>3.50%</b>	2.75%	<b>2.75%</b>
S&P/TSX Capped Information Technology Index	8.00%	<b>7.75%</b>	8.00%	<b>7.75%</b>
S&P/TSX Capped Energy Index	5.00%	<b>5.50%</b>	5.00%	<b>5.00%</b>

**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%	<b>1.00%</b>	<b>1.25%</b>	<b>1.25%</b>
S&P/TSX Capped Gold Index	2.25%	0.75%	2.50%	<b>1.50%</b>	<b>1.00%</b>	<b>1.50%</b>
S&P/TSX Capped Financials Index	1.25%	1.25%	1.50%	<b>3.50%</b>	<b>0.75%</b>	<b>3.75%</b>
S&P/TSX Capped Information Tech. Index	2.00%	1.75%	3.00%	<b>2.00%</b>	<b>1.75%</b>	<b>2.25%</b>
S&P/TSX Capped Energy Index	1.00%	0.75%	1.25%	<b>1.00%</b>	<b>0.75%</b>	<b>1.25%</b>

These new margin requirements **will be effective for the close of business on Tuesday, March 8, 2005.**

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