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

CIRCULAR
April 16, 2004

NOTICE OF MARGIN RATE MODIFICATION ON FOREIGN CURRENCIES

Paragraphs 5) C) and D) of article 7210 of the Rules of Bourse de Montréal Inc. (the “Bourse”) provide for a foreign exchange margin surcharge mechanism which adjusts the margin rate for a currency in Groups 1, 2 or 3 if the volatility of the currency exceeds a predetermined volatility threshold. For any foreign currency in which its exchange rate volatility exceeds defined parameters, there is an automatic margin surcharge required to be effective for a minimum of 30 days from the date of a notice to approved participants.

Based on the volatility of the Canadian dollar exchange rates, the following spot risk margin rates apply until further notice:

- **Australia – Dollar** from **3.00%** to **3.30%**
- **United States – Dollar** remains at **2.30%**

You will find attached a **Margin Violation Summary Report** dated April 13, 2004 listing all currencies in Groups 1, 2 and 3. The self-regulatory organizations monitor the volatility of all foreign currencies in these Groups and periodically issue notices concerning any change in the margin rates applicable to the currencies affected by such a change.

For further information, please contact Mr. Eric Bernard, Financial Analyst, Regulatory Division, at (514) 871-4949, extension 373, or by e-mail at ebarnard@m-x.ca.

Jacques Tanguay
Vice-President, Regulatory Division

Encl.

Circular no.: 048-2004

Security Volatility Margin Violation Summary Report								
Securities (FX / Bond / Equity / Index)	Margin Rate	Start Date	End Date	Trading Days	Offside Days	% offside	Violation Threshold	
ARGENTINA – PESO	25.00	01/13/04	04/12/04	64	0	0.00	5.00	No
AUSTRALIA – DOLLAR	3.30	01/13/04	04/12/04	64	2	3.13	5.00	No
BRITAIN – POUND	3.00	01/13/04	04/12/04	64	2	3.13	5.00	No
CZECK – KORUNA	10.00	01/13/04	04/12/04	64	0	0.00	5.00	No
DENMARK – KRONE	10.00	01/13/04	04/12/04	64	0	0.00	5.00	No
EURO	3.00	01/13/04	04/12/04	64	1	1.56	5.00	No
HONG KONG – DOLLAR	10.00	01/13/04	04/12/04	64	0	0.00	5.00	No
HUNGARY – FORINT	10.00	01/13/04	04/12/04	64	0	0.00	5.00	No
JAPAN – YEN	3.00	01/13/04	04/12/04	64	3	4.69	5.00	No
MALAYSIA – RINGGIT	10.00	01/13/04	04/12/04	64	0	0.00	5.00	No
MEXICO – NEW PESO	3.00	01/13/04	04/12/04	64	1	1.56	5.00	No
NEW ZEALAND – DOLLAR	10.00	01/13/04	04/12/04	64	0	0.00	5.00	No
NORWAY – KRONE	10.00	01/13/04	04/12/04	64	0	0.00	5.00	No
POLAND – ZLOTY	10.00	01/13/04	04/12/04	64	0	0.00	5.00	No
SAUDI ARABIA – RIYAL	10.00	01/13/04	04/12/04	64	0	0.00	5.00	No
SINGAPORE – DOLLAR	10.00	01/13/04	04/12/04	64	0	0.00	5.00	No
SWEDEN – KRONA	10.00	01/13/04	04/12/04	64	0	0.00	5.00	No
SWITZERLAND – FRANC	3.00	01/13/04	04/12/04	64	2	3.13	5.00	No
U.S. – DOLLAR	2.30	01/13/04	04/12/04	64	3	4.69	5.00	No

Source: Investment Dealers Association of Canada - Financial Compliance Division

Tuesday, April 13, 2004