

<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
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CIRCULAR
July 6, 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 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	\$650	\$650
	Hedger	\$600	\$600
BAX - Three-month Canadian Bankers' Acceptance	Speculator	\$800	\$650
	Hedger	\$750	\$600
CGZ - Two-year Canadian Government Bond	Speculator	\$500	\$500
	Hedger	\$400	\$400
CGB - Ten-year Canadian Government Bond	Speculator	\$2,000	\$2,000
	Hedger	\$1,900	\$1,900
SXF - S&P/TSX 60 Index	Speculator	\$4,600	\$4,000
	Hedger	\$4,400	\$3,900
SXA - S&P/TSX Capped Gold Index	Speculator	\$4,400	\$3,400
	Hedger	\$4,200	\$3,200
SXB - S&P/TSX Capped Financials Index	Speculator	\$1,000	\$900
	Hedger	\$900	\$800
SXH - S&P/TSX Capped Information Technology Index	Speculator	\$1,800	\$1,700
	Hedger	\$1,700	\$1,600
SXY - S&P/TSX Capped Energy Index	Speculator	\$2,400	\$1,800
	Hedger	\$2,300	\$1,700
FNT - Nortel Networks Corporation	Speculator	31.00%	27.00%
	Hedger	28.00%	24.00%

Circular no.: 095-2004

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

MARGIN TYPE	INDEX AND EQUITY FUTURES CONTRACTS					
	SXF	SXA	SXB	SXH	SXY	FNT
SPECULATOR ¹ (simple position)	\$4,000	\$3,400	\$900	\$1,700	\$1,800	27.00% ²
HEDGER ¹ (simple position)	\$3,900	\$3,200	\$800	\$1,600	\$1,700	24.00% ²
SPREADS	\$ 100	\$ 100	\$100	\$ 350	\$ 100	\$5

MARGIN TYPE	INTEREST RATE FUTURES CONTRACTS			
	ONX	BAX	CGZ	CGB
SPECULATOR ¹ (simple position)	\$650	\$650	\$500	\$2,000
HEDGER ¹ (simple position)	\$600	\$600	\$400	\$1,900
SPREADS	\$132	\$146	\$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.
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	5.25%	4.75%
S&P/TSX 60 Index Participation Units	5.00%	4.50%

These new margin requirements **will be effective for the close of business on Thursday, July 8, 2004.**

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