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<input checked="" type="checkbox"/> Back-office – Futures	<input checked="" type="checkbox"/> Regulation
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July 30, 2010**SELF-CERTIFICATION**

LISTING OF A NEW FUTURES CONTRACT BASED ON THE NEW NGX WCS WTI DAILY WEIGHTED CRUDE OIL INDEX AND AMENDMENT TO THE SYMBOL OF THE CURRENT FUTURES CONTRACT BASED ON THE NGX WCS WTI MONTHLY WEIGHTED CRUDE OIL INDEX

Bourse de Montréal Inc. (the “Bourse”) will list a new futures contract based on the NGX WCS WTI Daily Weighted Crude Oil Index (the “New Contract”) and change the symbol of the current futures contract based on the NGX WCS WTI Monthly Weighted Crude Oil Index (the “Current Contract”) (collectively, the “Amendments”). Following the Amendments, the New Contract will have the symbol “WCH” and the Current Contract will have the symbol “WCZ”. The Bourse wishes to advise market participants that both the New Contract and the amendments to the Current Contract’s specifications have been self-certified in accordance with the self-certification process as established in the *Derivatives Act* (R.S.Q., chapter I-14.01).

The Amendments will be effective as of **August 3, 2010**. You will find the New Contract’s specifications, the Current Contract’s amended specifications as well as the analysis explaining the Amendments attached herein or on the Web site of the Bourse at www.m-x.ca.

Amendment to the Symbol of the Current Contract

The Bourse is changing the symbol of the Current Contract from WCH to WCZ. The Bourse will continue to list for trading the Current Contract until such time as there is no open interest on the listed contract months. The Current Contract for the month of September will continue to be listed until the expiration of the contract on August 19, 2010. Following the expiration of the September contract month, no other additional contract months will be listed for trading for the Current Contract.

Listing of the New Contract

The Bourse will list the New Contract on August 3, 2010. The New Contract will be listed starting with the October 2010 contract month. The New Contract will have the symbol WCH.

The methodology used to calculate the NGX WCS WTI Daily Weighted Crude Oil Index price is the simple arithmetic average of the daily volume weighted average price during the index pricing period for the contract month.

For additional information please contact Claude Cyr, Senior Vice-President, Financial Markets at 514 871-3887 or at ccyr@m-x.ca, or François Gilbert, Vice-president, Legal Affairs, Derivatives at 514 871-3528 or legal@m-x.ca.

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Circular no.: 097-2010



Listing of a futures contract based on the new NGX WCS WTI Daily Weighted Crude Oil Index to reflect evolving market conditions

I. Overview

When the Bourse initially submitted to the AMF the rules and procedures to list futures contracts based on Western Canadian Select Heavy Crude Oil, there was only one reference index calculated by NGX as the reference price for the differential price between Western Canadian Select Heavy Crude Oil and West Texas Intermediate Light Crude Oil. The index is referred to as the NGX WCS WTI Crude Oil index and it is calculated based on a monthly volume weighted average pricing methodology. The underlying index of the WCH futures contract currently listed on the Bourse is the NGX WCS WTI Monthly Weighted Index.

In March 2010, NGX created a new method to calculate the index that resulted in the creation of “the NGX WCS WTI Daily Weighted Index”. The methodology used to calculate the NGX WCS WTI Daily Weighted Index price is the simple arithmetic average of the daily volume weighted average price during the index pricing period for the contract month.

Both indices are currently listed by NGX on its platform and each index has a distinct name:

- 1) the NGX WCS WTI Index is referred to as the Monthly Weighted Index, and
- 2) the NGX WCS WTI Daily Weighted Index is the new index.

Prior to the introduction of the NGX WCS WTI Daily Weighted Index, participants in the industry used the NGX WCS WTI Monthly Volume Weighted Index as the benchmark index. However, some leading market participants are seeking to move the industry toward the daily weighted index as the benchmark index for the differential price between Western Canadian Select Heavy crude oil and West Texas Intermediate Light crude oil.

Based on recent discussions with market participants, it has been proposed that the Bourse introduce a new futures contract based on the Daily Weighted Index. Consequently as it is the practice in the cash market, the Bourse is proposing to move towards the NGX WCS WTI Daily Weighted Index as the underlying index for the WCH futures contract.

The Bourse will continue to list the current futures contract based on the NGX WCS WTI Monthly Weighted Index until such time that there is no volume or open interest in all contract months listed. The Bourse is changing the symbol of the current futures contract based on the NGX WCS WTI Monthly Weighted Index from WCH to WCZ.

II. Rationale for moving from the NGX WCS WTI Monthly Weighted Index to the NGX WCS WTI Daily Weighted Index

1. **Leading participants are seeking to move to a new benchmark:** Key market participants are expressing a preference for the daily weighted index over the monthly weighted index as the benchmark index for the differential price between Western Canadian Select Heavy crude oil and West Texas Intermediate Light crude oil. Some believe that the success of a financial product which settles against the daily weighted index will also smooth out volumes over the index period, and result in a better quality index on a monthly basis.
2. **The NGX WCS WTI Daily Weighted Index is better suited as an underlying for derivatives products:** The daily weighted index is preferable to financial traders as it is easier to model and price within the month, and less exposed to extraordinary price movements resulting from a single high volume day.
3. **High Correlation:** The two indices are very highly correlated to each other (98.1% correlation calculated from daily prices for the period of January 2010 to July 2010), which will result in a seamless transition for market participants.

III. Description of the NGX WCS WTI Daily Weighted Index

The NGX WCS WTI Daily Weighted Crude Oil Index is an index similar to the NGX WCS WTI Monthly Weighted Index that represents the differential price between Western Canadian Select Heavy Crude Oil and West Texas Intermediate Light Crude Oil. Both indices use the same transactions for the basis of calculating the index level. The difference between the Daily Weighted Index and the Monthly Weighted Index is the methodology used to calculate the price of the index.

The methodology used to calculate the NGX WCS WTI Daily Weighted Index price is the simple arithmetic average of the daily volume weighted average price during the index pricing period for the contract month, whereas, the methodology used to calculate the Monthly Weighted Index is the weighted average of all transactions during the index pricing period for the contract month.

As illustrated in Table I below, the NGX WCS WTI Daily Weighted Crude Oil Index is calculated on a pro-rated volume each day with the monthly average representing a simple average of each day's number.

Table I: Sample Calculation of the Daily Weighted Index compared to the Monthly Weighted Index

	TRADE PRICE	VOLUME	VWAP PRICE	DAILY WEIGHTED INDEX	MONTHLY WEIGHTED INDEX
DAY 1	-15,00 \$	100	-15,00 \$	-15,00 \$	-15,00 \$
DAY 2	-16,00 \$	60	-16,00 \$	-15,50 \$	-15,38 \$
DAY 3	-18,50 \$	50	-15,77 \$	-15,59 \$	-15,68 \$
	-15,50 \$	500			

Source: MX Research

IV. SUMMARY OF THE PROPOSED AMENDMENTS TO THE RULES OF THE BOURSE

The new contract specifications are required for the introduction of futures contracts on the NGX WCS WTI Daily Weighted Crude Oil Index, and that amendments to the current contract specifications of futures contracts on the NGX WCS WTI Monthly Weighted Index are required as well. However, the introduction of futures contracts based on the NGX WCS WTI Daily Weighted Crude Oil Index and amendments to the futures contract with the NGX WCS WTI Monthly Weighted Index do not require amendments to the Rules and Procedures of the Bourse.

V. Objective of the Proposed Amendments to the Contract Specifications

The Bourse proposes to introduce a new futures contract with the NGX WCS WTI Daily Weighted Crude Oil Index as the underlying index of the WCH contract to reflect the natural evolution of market conditions. The Bourse will continue to list the old futures contract with the NGX WCS WTI Monthly Weighted Index until such time that there is no volume or open interest in all contract months listed. Additionally, the Bourse is changing the symbol of the old futures contract based on the NGX WCS WTI Monthly Weighted Index from WCH to WCZ. Eventually, the Bourse intends to de-list the futures contract based on the NGX WCS WTI Monthly Weighted Index.

The proposed changes are not material given that the two indices are highly correlated (98%) to each other.

VI. Public Interest

The proposed contract specifications of the new futures contracts on the NGX WCS WTI Daily Weighted Crude Oil Index and amendments to the current contract specifications of futures contracts on the NGX WCS WTI Monthly Weighted Index are proposed in order to make the use of futures contracts on Canadian Crude Oil accessible and efficient for the market participants.

VII. Process

The proposed contract specifications of the new futures contracts on the NGX WCS WTI Daily Weighted Crude Oil Index and amendments to the current contract specifications of futures contracts on the NGX WCS WTI Monthly Weighted Index need to be presented to the Rules and Policies Committee (“CRP”) of the Bourse, and if approved, they will thereafter be transmitted to the Autorité des marchés financiers (AMF) in accordance with the self-certification process. These additions and modifications will also be transmitted to the Ontario Securities Commission (OSC) for information purposes.

For the new contract to be offered in the United States, regulatory requirements must be completed with the Commodity Futures Trading Commission (CFTC). The Bourse has initiated the process and will insure the regulatory procedures required by the CFTC are completed prior to the new contract launch.

VIII. Documents Attached

- Specifications for the new futures contracts on the NGX WCS WTI Daily Weighted Crude Oil Index.
- Amendments to the contract specifications of futures contracts on the NGX WCS WTI Monthly Weighted Crude Oil Index.

Canadian Heavy Crude Oil Differential Price Futures Contract - Daily Weighted Index

Specifications

Underlying	The NGX WCS WTI Daily Weighted Crude Oil Index is based on a volume-weighted average of the differential prices between Western Canadian Select Heavy Crude Oil (WCS) and West Texas Intermediate Light Crude Oil (WTI).
Trading Unit	1 000 U.S. barrels
Contract Months	Monthly and quarterly expiries.
Price Quotation	U.S. dollars and cents per barrel. Quotation method: 100 + (differential price of the underlying) For example: With the price of the underlying (differential price) of -10.50 US\$, the price quotation will be: 100 + (- 10.50 US\$) = 89.50 US\$
Minimum Price Fluctuation	US\$0.01 per barrel.
Last Trading Day	Trading terminates on the first business day prior to the “Initial Notice of Shipment” day (NOS) as determined by the Crude Oil Logistics Committee (COLC) in the Forecast Reporting Calendar. Generally, the NOS is a date that varies between the 17th calendar day and the 21st calendar day of the month preceding the delivery month.
Contract Type	Cash settlement. The contract is cash settled against the price of the underlying as determined by NGX on the last trading day of the delivery month.
Final Settlement Price	The final settlement price shall be (100 + the price of the NGX WCS WTI Daily Weighted Index), as determined by NGX and published by the Bourse on the first business day following the last day of trading of the delivery month..
Exchange of Futures for Physicals (EFP) and Exchange for Risk (EFR)	Approved Participants may exchange a futures position for a physical position (EFP) or an over-the-counter derivative instrument (EFR) of equal quantity by submitting a notice to the Bourse. EFPs and EFRs may be used to either initiate or liquidate a futures position.
Eligible Crude Oil Grades for EFP	Specific domestic crudes deliverable at Hardisty, Alberta with not less than 2.5% nor more than 3.5% sulfur by weight, not less than 19° API gravity nor more than 22° API gravity. Domestic crude streams include, but are not limited to: Western Canadian Select, Western Canadian Blend, Lloyd Blend, Bow River, Cold Lake Blend and Wabasca.
Reporting Level	25 contracts gross long or gross short in all contract months combined.
Position Limits	10,000 contracts net long or net short in all contract months combined.
Minimum Margin Requirements	Information on Minimum Margin Requirements can be obtained from the Bourse as they are subject to periodic changes.
Daily Price Limit	None
Trading Hours	9:00 a.m. to 4: 00 p.m. (ET).
Clearing Corporation	Canadian Derivatives Clearing Corporation (CDCC)
Ticker Symbol	WCH

Specifications

Canadian Heavy Crude Oil Differential Price Futures Contract : Monthly Weighted Index

Underlying	The NGX WCS WTI Monthly Weighted Crude Oil Index is based on a volume-weighted average of the differential prices between Western Canadian Select Heavy Crude Oil (WCS) and West Texas Intermediate Light Crude Oil (WTI).
Trading Unit	1 000 U.S. barrels
Contract Months	Monthly and quarterly expiries.
Price Quotation	U.S. dollars and cents per barrel. Quotation method: 100 + (differential price of the underlying) For example: With the price of the underlying (differential price) of -10.50 US\$, the price quotation will be: 100 + (- 10.50 US\$) = 89.50 US\$
Minimum Price Fluctuation	US\$0.01 per barrel.
Last Trading Day	Trading terminates on the first business day prior to the “Initial Notice of Shipment” day (NOS) as determined by the Crude Oil Logistics Committee (COLC) in the Forecast Reporting Calendar. Generally, the NOS is a date that varies between the 17th calendar day and the 21st calendar day of the month preceding the delivery month.
Contract Type	Cash settlement. The contract is cash settled against the price of the underlying as determined by NGX on the last trading day of the delivery month.
Final Settlement Price	The final settlement price shall be (100 + the price of the NGX WCS WTI Monthly Weighted Index), as determined by NGX and published by the Bourse on the first business day following the last day of trading of the delivery month..
Exchange of Futures for Physicals (EFP) and Exchange for Risk (EFR)	Approved Participants may exchange a futures position for a physical position (EFP) or an over-the-counter derivative instrument (EFR) of equal quantity by submitting a notice to the Bourse. EFPs and EFRs may be used to either initiate or liquidate a futures position.
Eligible Crude Oil Grades for EFP	Specific domestic crudes deliverable at Hardisty, Alberta with not less than 2.5% nor more than 3.5% sulfur by weight, not less than 19° API gravity nor more than 22° API gravity. Domestic crude streams include, but are not limited to: Western Canadian Select, Western Canadian Blend, Lloyd Blend, Bow River, Cold Lake Blend and Wabasca.
Reporting Level	25 contracts gross long or gross short in all contract months combined.
Position Limits	10,000 contracts net long or net short in all contract months combined.
Minimum Margin Requirements	Information on Minimum Margin Requirements can be obtained from the Bourse as they are subject to periodic changes.
Daily Price Limit	None
Trading Hours	9:00 a.m. to 4: 00 p.m. (ET).
Clearing Corporation	Canadian Derivatives Clearing Corporation (CDCC)
Ticker Symbol	WCZ WCH