

**TO: Approved Participants
Futures Contracts and options on Futures Contracts Principals
Futures Contracts and Options on Futures Contracts Traders
Restricted Trading Permit Holders**

July 17, 2002

**FUTURES CONTRACTS MARGIN REQUIREMENTS AND
INDEX PRODUCTS FLOATING MARGIN RATES**

Bourse de Montréal Inc. sets futures margin rates and index products floating margin rates, and updates these rates when market conditions justify it. Considering the recent changes in these conditions, Bourse de Montréal Inc., in collaboration with the Canadian Derivatives Clearing Corporation (“CDCC”), has recently 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
BAX - Three-month Canadian Bankers' Acceptance	Speculator	\$800	\$700
	Hedger	\$700	\$600
SXF - S&P/TSX 60 Index	Speculator	\$3,600	\$3,400
	Hedger	\$3,500	\$3,200
CGB - Ten-year Canadian Government Bond	Speculator	\$2,000	\$1,900
	Hedger	\$1,900	\$1,800
CGF - Five-year Canadian Government Bond	Speculator	\$2,100	\$2,000
	Hedger	\$2,000	\$1,900
SXA - S&P/TSX Gold Index	Speculator	\$5,900	\$6,600
	Hedger	\$5,600	\$6,300
SXB - S&P/TSX Financials Index	Speculator	\$1,100	\$1,100
	Hedger	\$1,000	\$1,000
SXH - S&P/TSX Information Technology Index	Speculator	\$1,400	\$1,100
	Hedger	\$1,300	\$1,000
SXY - S&P/TSX Energy Index	Speculator	\$1,600	\$1,600
	Hedger	\$1,500	\$1,500
ONX - 30-Day Overnight Repo Rate	Speculator	\$750	\$750
	Hedger	\$700	\$700
FNT - Nortel Networks Corporation	Speculator	26.50%	35.75%
	Hedger	23.50%	32.50%

Circular no.: 099-2002

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

MARGIN TYPE	S&P/TSX SECTORIAL FUTURES CONTRACTS			
	SXA	SXB	SXH	SXY
SPECULATOR ¹ (simple position)	\$6,600	\$1,100	\$1,100	\$1,600
HEDGER ¹ (simple position)	\$6,300	\$1,000	\$1,000	\$1,500
SPREADS	\$ 707	\$ 177	\$ 481	\$ 264

MARGIN TYPE	FUTURES CONTRACTS					
	BAX	SXF	CGB	CGF	ONX	FNT
SPECULATOR ¹ (simple position)	\$700	\$3,400	\$1,900	\$2,000	\$750	35.75 % ²
HEDGER ¹ (simple position)	\$600	\$3,200	\$1,800	\$1,900	\$700	32.50 % ²
SPREADS	\$240	\$ 616	\$ 225 CGB/CGF: \$370	\$ 160	\$200	\$ 25

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	4.75%	4.75%
S&P/TSX 60 Index Participation Units	4.75%	4.75%

These new margin requirements **are effective on July 18, 2002.**

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