☐	Trading – Interest Rate Derivatives	☒	Back-office – Options
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CIRCULAR
July 6, 2006

FUTURES CONTRACTS MARGIN REQUIREMENTS, INDEX PRODUCTS FLOATING MARGIN RATES, CURRENCY OPTION MARGIN RATES AND TRACKING ERROR MARGIN RATES

Bourse de Montréal Inc. (the Bourse) sets futures contracts margin rates, index products floating margin rates and tracking error margin rates and currency options margin rates. The Bourse updates these rates on a monthly basis or when justified by market 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, must 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	$400	**$550**
	Hedger	$350	**$500**
CGZ - Two-year Canadian Government Bond	Speculator	$450	**$400**
	Hedger	$400	**$350**
CGB - Ten-year Canadian Government Bond	Speculator	$1,400	**$1,400**
	Hedger	$1,300	**$1,300**
SXF - S&P/TSX 60 Index	Speculator	$5,400	**$7,100**
	Hedger	$5,200	**$6,900**
SXA - S&P/TSX Capped Gold Index	Speculator	$7,150	**$8,250**
	Hedger	$6,950	**$8,050**
SXB - S&P/TSX Capped Financials Index	Speculator	$1,650	**$1,300**
	Hedger	$1,550	**$1,200**
SXH - S&P/TSX Capped Information Technology Index	Speculator	$750	**$850**
	Hedger	$700	**$800**
SXY - S&P/TSX Capped Energy Index	Speculator	$5,700	**$7,050**
	Hedger	$5,500	**$6,850**

Circular no.: 126-2006

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
SPECULATOR [1] (simple position)	$7,100	$8,250	$1,300	$850	$7,050
HEDGER [1] (simple position)	$6,900	$8,050	$1,200	$800	$6,850
SPREADS	$350	$100	$100	$100	$100

MARGIN TYPE	INTEREST RATE FUTURES CONTRACTS			
	ONX	BAX	CGZ	CGB
SPECULATOR [1] (simple position)	$650	$550	$400	$1,400
HEDGER [1] (simple position)	$600	$500	$350	$1,300
SPREADS	$132	$85	$200	$200
BUTTERFLY (consecutive expiry months)	N/A	$ 76	N/A	N/A
BUTTERFLY (non-consecutive expiry months)	N/A	$123	N/A	N/A

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 SHARES	
	PREVIOUS RATE	NEW RATE	PREVIOUS RATE	NEW RATE
S&P/TSX 60 Index	4.25%	**5.25%**	4.50%	**5.50%**
S&P/TSX Capped Gold Index	11.50%	**13.50%**	11.50%	**13.50%**
S&P/TSX Capped Financials Index	4.00%	**3.25%**	4.00%	**3.50%**
S&P/TSX Capped Information Technology Index	5.50%	**6.50%**	5.75%	**6.75%**
S&P/TSX Capped Energy Index	8.00%	**9.75%**	8.50%	**10.25%**

CURRENCY OPTION MARGIN RATES

CURRENCY OPTION MARGIN RATES	**PREVIOUS RATE**	**NEW RATE**
USX - US Dollar Option	2.50%	**3.25%**

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%	1.75%	1.75%	**0.75%**	**1.75%**	**1.75%**
S&P/TSX Capped Gold Index	1.50%	4.75%	4.75%	**1.75%**	**5.00%**	**5.00%**
S&P/TSX Capped Financials Index	1.00%	1.25%	1.50%	**0.75%**	**1.50%**	**1.75%**
S&P/TSX Capped Information Technology Index	2.50%	3.25%	3.50%	**2.75%**	**3.50%**	**4.25%**
S&P/TSX Capped Energy Index	1.00%	4.00%	4.00%	**1.75%**	**5.25%**	**5.50%**

These new margin requirements **will be effective at the close of business on Tuesday July 11, 2006.**

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