



CIRCULAR
October 8, 2003

**30-DAY OVERNIGHT REPO RATE FUTURES CONTRACT (ONX)
FINAL SETTLEMENT PRICE
AMENDMENTS TO ARTICLE 15922**

Following approval by the Commission des valeurs mobilières du Québec ("CVMQ") of the amendments proposed by Bourse de Montréal Inc. (the "Bourse") to article 15922 of its Rules, the Bourse has amended the method used for the calculation of the final settlement price at the expiration of the ONX futures contract. This amendment shall be effective on **November 3, 2003**. Therefore, the final settlement price of the ONX futures contract with an October 2003 expiration date will be rounded to the nearest tenth of a basis point rather than the nearest full or half basis point. For example, if the arithmetic monthly average of the overnight repo rate is 2.75675%, the average is rounded to the nearest tenth of a basis point at 2.757% and then subtracted from 100 to establish the final settlement price at 97.243.

Please note that a similar amendment was made to article C-1701 of the Rules of the Canadian Derivatives Clearing Corporation.

Revised contract specifications for the ONX futures contract will be available on our web site, www.m-x.ca.

For further information on the above developments, please contact Léon Bitton, Vice-President, R&D at (514) 871-3583.

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15922 Cash Settlement Procedures
(14.06.02, 03.11.03)

In the case of 30-day overnight repo rate futures contracts:

- a) On the last day of trading, open contracts will be marked to market based on the daily settlement price. A final settlement price will be determined on the Final Settlement Date.
- b) The Final Settlement Price as determined below by the Bourse shall be used to settle all open 30-day overnight repo rate futures:
 - i) on the Final Settlement Date, the Bourse shall determine the overnight repo reference rate;
 - ii) Final Settlement Price for the 30-day overnight repo rate futures shall be 100 minus the overnight repo reference rate;
 - iii) the overnight repo reference rate:
 - 1) means the arithmetic average of the overnight repo rate during the contract month. For example, on the final settlement day, during a month when the overnight repo rate averaged 2%, the 30-day overnight repo rate futures contract would settle at 98.00. The arithmetic monthly average of the overnight repo rate will be rounded to the nearest tenth of a basis point. The decimal fraction ending in a five (5) or higher shall be rounded up.
 - 2) The average is a simple arithmetic average corresponding to the sum of the daily overnight repo rates divided by the number of calendar days in the month. Weekend and holiday rates are considered to be the rate applicable on the previous business day. For example, Friday's rate is used for Saturday and Sunday rates.
 - 3) In view of the rapidly changing structure of the Canadian money markets, the Bourse reserves the right to change the above selection process in the determination of the overnight repo reference rate.