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<input checked="" type="checkbox"/>	Trading – Equity and Index Derivatives	<input type="checkbox"/>	Technology
<input checked="" type="checkbox"/>	Back-office – Futures	<input type="checkbox"/>	Regulation

**CIRCULAR**  
November 9, 2004

## **NOTICE OF MARGIN RATE MODIFICATION ON FOREIGN CURRENCIES**

Paragraphs 5) C) and D) of article 7210 of the Rules of Bourse de Montréal Inc. (the Bourse) provide for a foreign exchange margin surcharge mechanism which adjusts the margin rate for a currency in Groups 1, 2 or 3 if the volatility of the currency exceeds a predetermined volatility threshold. For any foreign currency in which its exchange rate volatility exceeds defined parameters, there is an automatic margin surcharge required to be effective for a minimum of 30 days from the date of a notice to approved participants.

Based on the volatility of the Canadian dollar exchange rates, the following spot risk margin rate apply until further notice:

- **United States – Dollar** from **1.80%** to **2.30%**

You will find attached a **Margin Violation Summary Report** dated November 8, 2004 listing all currencies in Groups 1, 2 and 3. The self-regulatory organizations monitor the volatility of all foreign currencies in these Groups and periodically issue notices concerning any change in the margin rates applicable to the currencies affected by such a change.

For further information, please contact Mr. Eric Bernard, Financial Analyst, Regulatory Division, at (514) 871-4949 extension 373 or by e-mail at [ebarnard@m-x.ca](mailto:ebarnard@m-x.ca).

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Encl.

Circular no.: 144-2004

Security Volatility Margin Violation Summary Report								
Securities (FX / Bond / Equity / Index)	Margin Rate	Start Date	End Date	Trading Days	Offside Days	% offside	Violation Threshold	
ARGENTINA – PESO	25.00	08/09/04	11/05/04	63	0	0.00	5.00	No
AUSTRALIA – DOLLAR	3.00	08/09/04	11/05/04	63	1	1.59	5.00	No
BRITAIN – POUND	3.00	08/09/04	11/05/04	63	1	1.59	5.00	No
CZECK – KORUNA	10.00	08/09/04	11/05/04	63	0	0.00	5.00	No
DENMARK – KRONE	10.00	08/09/04	11/05/04	63	0	0.00	5.00	No
EURO	3.00	08/09/04	11/05/04	63	0	0.00	5.00	No
HONG KONG – DOLLAR	10.00	08/09/04	11/05/04	63	0	0.00	5.00	No
HUNGARY – FORINT	10.00	08/09/04	11/05/04	63	0	0.00	5.00	No
JAPAN – YEN	3.00	08/09/04	11/05/04	63	0	0.00	5.00	No
MALAYSIA – RINGGIT	10.00	08/09/04	11/05/04	63	0	0.00	5.00	No
MEXICO – NEW PESO	3.00	08/09/04	11/05/04	63	2	3.17	5.00	No
NEW ZEALAND – DOLLAR	10.00	08/09/04	11/05/04	63	0	0.00	5.00	No
NORWAY – KRONE	10.00	08/09/04	11/05/04	63	0	0.00	5.00	No
POLAND – ZLOTY	10.00	08/09/04	11/05/04	63	0	0.00	5.00	No
SAUDI ARABIA – RIYAL	10.00	08/09/04	11/05/04	63	0	0.00	5.00	No
SINGAPORE – DOLLAR	10.00	08/09/04	11/05/04	63	0	0.00	5.00	No
SWEDEN – KRONA	10.00	08/09/04	11/05/04	63	0	0.00	5.00	No
SWITZERLAND – FRANC	3.00	08/09/04	11/05/04	63	0	0.00	5.00	No
<b>U.S. – DOLLAR</b>	<b>2.30</b>	<b>08/09/04</b>	<b>11/05/04</b>	<b>63</b>	<b>2</b>	<b>3.17</b>	<b>5.00</b>	<b>No</b>

Source: Investment Dealers Association of Canada - Financial Compliance Division

Monday, November 8, 2004