

**CIRCULAR**  
November 10, 2003

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

Bourse de Montréal Inc. (the "Bourse") sets futures margin rates and index products floating margin rates, and updates these rates when market conditions justify. Considering the recent changes in these conditions, the Bourse in collaboration with the Canadian Derivatives Clearing Corporation (CDCC), has determined that futures contract margin rates, in the case of speculators and hedgers, be modified as follows:

| <b>FUTURES CONTRACTS</b>                                 | <b>MARGIN TYPE</b> | <b>PREVIOUS RATE</b> | <b>NEW RATE</b> |
|--|--------------------|----------------------|-----------------|
| <b>BAX</b> - Three-month Canadian Bankers' Acceptance    | Speculator         | <b>\$800</b>         | <b>\$650</b>    |
|  | Hedger             | <b>\$700</b>         | <b>\$600</b>    |
| <b>SXF</b> - S&P/TSX 60 Index                            | Speculator         | <b>\$3,500</b>       | <b>\$3,100</b>  |
|  | Hedger             | <b>\$3,300</b>       | <b>\$2,900</b>  |
| <b>CGB</b> - Ten-year Canadian Government Bond           | Speculator         | <b>\$2,200</b>       | <b>\$2,100</b>  |
|  | Hedger             | <b>\$2,100</b>       | <b>\$2,000</b>  |
| <b>SXA</b> - S&P/TSX Capped Gold Index                   | Speculator         | <b>\$3,700</b>       | <b>\$3,900</b>  |
|  | Hedger             | <b>\$3,500</b>       | <b>\$3,700</b>  |
| <b>SXB</b> - S&P/TSX Capped Financials Index             | Speculator         | <b>\$1,100</b>       | <b>\$950</b>    |
|  | Hedger             | <b>\$1,000</b>       | <b>\$900</b>    |
| <b>SXH</b> - S&P/TSX Capped Information Technology Index | Speculator         | <b>\$1,500</b>       | <b>\$1,300</b>  |
|  | Hedger             | <b>\$1,400</b>       | <b>\$1,200</b>  |
| <b>SXY</b> - S&P/TSX Capped Energy Index                 | Speculator         | <b>\$1,200</b>       | <b>\$1,100</b>  |
|  | Hedger             | <b>\$1,100</b>       | <b>\$1,000</b>  |
| <b>ONX</b> - 30-Day Overnight Repo Rate                  | Speculator         | <b>\$500</b>         | <b>\$450</b>    |
|  | Hedger             | <b>\$400</b>         | <b>\$400</b>    |
| <b>FNT</b> - Nortel Networks Corporation                 | Speculator         | <b>27.75%</b>        | <b>23.00%</b>   |
|  | Hedger             | <b>24.75%</b>        | <b>20.00%</b>   |

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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     |
| <b>SPECULATOR</b> <sup>1</sup><br>(simple position) | \$3,900                             | \$950 | \$1,300 | \$1,100 |
| <b>HEDGER</b> <sup>1</sup><br>(simple position)     | \$3,700                             | \$900 | \$1,200 | \$1,000 |
| <b>SPREADS</b>                                      | \$ 100                              | \$100 | \$ 100  | \$ 100  |

| MARGIN TYPE   | FUTURES CONTRACTS |         |         |       |                      |
|---|-------------------|---------|---------|-------|----------------------|
|   | BAX               | SXF     | CGB     | ONX   | FNT                  |
| <b>SPECULATOR</b> <sup>1</sup><br>(simple position) | \$650             | \$3,100 | \$2,100 | \$450 | 23.00 % <sup>2</sup> |
| <b>HEDGER</b> <sup>1</sup><br>(simple position)     | \$600             | \$2,900 | \$2,000 | \$400 | 20.00 % <sup>2</sup> |
| <b>SPREADS</b>                                      | \$175             | \$ 350  | \$ 200  | \$132 | \$ 5                 |

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 | 4.50%         | 4.00%    |
| S&P/TSX 60 Index Participation Units  | 4.50%         | 4.00%    |

These new margin requirements **are effective immediately**.

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