



**Bourse
de Montréal Inc.**

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

CIRCULAR
December 3, 2004

**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 Canadian Derivatives Clearing Corporation (CDCC), has 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
ONX - 30-Day Overnight Repo Rate	Speculator	\$1,200	\$1,000
	Hedger	\$1,100	\$900
BAX - Three-month Canadian Bankers' Acceptance	Speculator	\$550	\$550
	Hedger	\$500	\$500
CGZ - Two-year Canadian Government Bond	Speculator	\$650	\$600
	Hedger	\$600	\$500
CGB - Ten-year Canadian Government Bond	Speculator	\$1,800	\$1,800
	Hedger	\$1,700	\$1,700
SXF - S&P/TSX 60 Index	Speculator	\$3,500	\$3,500
	Hedger	\$3,400	\$3,300
SXA - S&P/TSX Capped Gold Index	Speculator	\$3,700	\$3,600
	Hedger	\$3,500	\$3,400
SXB - S&P/TSX Capped Financials Index	Speculator	\$900	\$900
	Hedger	\$800	\$800
SXH - S&P/TSX Capped Information Technology Index	Speculator	\$1,400	\$1,500
	Hedger	\$1,300	\$1,400
SXY - S&P/TSX Capped Energy Index	Speculator	\$2,100	\$2,000
	Hedger	\$2,000	\$1,900

Circular no.: 155-2004

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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	INDEX FUTURES CONTRACTS				
	SXF	SXA	SXB	SXH	SXY
SPECULATOR ¹ (simple position)	\$3,500	\$3,600	\$900	\$1,500	\$2,000
HEDGER ¹ (simple position)	\$3,300	\$3,400	\$800	\$1,400	\$1,900
SPREADS	\$350	\$100	\$100	\$100	\$100

MARGIN TYPE	INTEREST RATE FUTURES CONTRACTS			
	ONX	BAX	CGZ	CGB
SPECULATOR ¹ (simple position)	\$1,000	\$550	\$600	\$1,800
HEDGER ¹ (simple position)	\$900	\$500	\$500	\$1,700
SPREADS	\$132	\$128	\$200	\$200

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.

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	4.00%	4.00%
S&P/TSX 60 Index Participation Units	3.75%	3.75%

These new margin requirements **will be effective for the close of business on Wednesday, December 8, 2004.**

For further information, please contact Frank Barillaro, Senior Analyst, Market Surveillance, Regulatory Division, at (514) 871-4949, extension 240, or by e-mail at fbarillaro@m-x.ca.

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