

CIRCULAR
December 5, 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 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
BAX - Three-month Canadian Bankers' Acceptance	Speculator	\$650	\$600
	Hedger	\$600	\$500
SXF - S&P/TSX 60 Index	Speculator	\$3,100	\$3,000
	Hedger	\$2,900	\$2,800
CGB - Ten-year Canadian Government Bond	Speculator	\$2,100	\$2,000
	Hedger	\$2,000	\$1,900
SXA - S&P/TSX Capped Gold Index	Speculator	\$3,900	\$4,500
	Hedger	\$3,700	\$4,300
SXB - S&P/TSX Capped Financials Index	Speculator	\$950	\$850
	Hedger	\$900	\$800
SXH - S&P/TSX Capped Information Technology Index	Speculator	\$1,300	\$1,200
	Hedger	\$1,200	\$1,100
SXY - S&P/TSX Capped Energy Index	Speculator	\$1,100	\$1,100
	Hedger	\$1,000	\$1,000
ONX - 30-Day Overnight Repo Rate	Speculator	\$450	\$650
	Hedger	\$400	\$600
FNT - Nortel Networks Corporation	Speculator	23.00%	22.00%
	Hedger	20.00%	18.00%

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The following is a summary of the various margin rates for the futures contracts listed at the Bourse:

MARGIN TYPE	S&P/TSX SECTORIAL FUTURES CONTRACTS			
	SXA	SXB	SXH	SXY
SPECULATOR ¹ (simple position)	\$4,500	\$850	\$1,200	\$1,100
HEDGER ¹ (simple position)	\$4,300	\$800	\$1,100	\$1,000
SPREADS	\$ 100	\$ 100	\$ 100	\$ 100

MARGIN TYPE	FUTURES CONTRACTS				
	BAX	SXF	CGB	ONX	FNT
SPECULATOR ¹ (simple position)	\$600	\$3,000	\$2,000	\$ 650	22.00 % ²
HEDGER ¹ (simple position)	\$500	\$2,800	\$1,900	\$ 600	18.00 % ²
SPREADS	\$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	4.00%	3.75%
S&P/TSX 60 Index Participation Units	4.00%	3.50 %

These new margin requirements **will be effective on Tuesday, December 9, 2003.**

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.

Jacques Tanguay
Vice-President, Regulatory Division