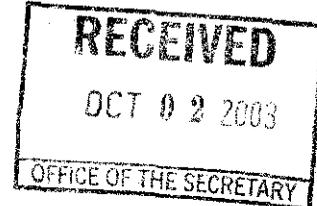


Post-it Fax Note	7071	Date	24/10	# of pages	23
To	Henry Schuman	From	JIMMY ANG		
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23 October 2001

Ms. Elizabeth King
 Associate Director
 Office of Market Supervision
 Division of Market Regulation
 Securities and Exchange Commission
 450 Fifth Street, N.W., (Mail Stop 5-1)
 Washington, D.C. 20549

4-486



Dear Ms. King

Request for Exemption of the Government Securities of the Republic of Singapore under the Securities Exchange Act of 1934, Rule 3a12-8, for the Purposes of Trading the Singapore Government Bond Futures Contract

I. Introduction

As a part of the Exchange's strategy to provide global and local investors with a wide range of derivatives products for their risk management and hedging purposes, and especially for market participants with longer term exposure in the Singapore dollar market, the Singapore Exchange Derivatives Trading Limited ("SGX-DT") launched the 5-year Singapore Government Bond futures contract on 29 June 2001.

In our efforts to extend our bond futures contract to the U.S. investors, we write in to request for the amendment of Securities Exchange Act of 1934, Rule 3a12-8 to include government securities issued by the Republic of Singapore as "exempted securities" for the purpose of our marketing and trading the 5-year Singapore Government Bond futures contract on the Singapore Government Securities in the United States. The intention is to better serve and facilitate U.S. investors with Singapore Dollar fixed income portfolio and medium term, interest rate exposure to hedge and manage risk more efficiently. This letter is a request for exemption of the Singapore Government Securities under Security Exchange Act of 1934, Rule 3a12-8, and not intended for the registration of the Singapore Government Securities for trading them within United States.

In support of our application, we are pleased to provide in the following sections, supporting information for your review, consideration and approval.



2. Singapore Exchange Derivatives Trading Limited (SGX-DT)

Singapore Exchange is a demutualised, integrated securities and derivatives exchange in Asia Pacific, formed in December 1999 by the merger of the Stock Exchange of Singapore (established in 1973) and Singapore International Monetary Exchange Limited (SIMEX) (established in 1984). The trading of derivatives products is carried out on Singapore Exchange through its subsidiary, Singapore Exchange Derivatives Trading Limited (SGX-DT), which is formally known as SIMEX. SGX-DT offers the widest range of international derivatives in the Asia-Pacific, providing regional and international investors with an effective global risk management and trading facility. These derivative instruments include 15 futures and 7 options contracts on interest rates, stock indexes, single stock and energy, traded on the open outcry and/or the electronic trading system (SGX ETS), shown in Appendix 1.1. SGX-DT was the first Asian exchange to offer Eurodollar futures in September 1984 and the first exchange in the world to offer Japanese and Taiwanese stock index futures in September 1986 and January 1997 respectively and recently, it launched the Singapore Government Bond futures contract. Over the years, SGX-DT's trading activity and its range of international products has grown, building a reputation as one of the leading derivatives exchanges in Asia. SGX-DT was named "Derivatives Exchange of the Year" in 1989, 1992, 1993 and 1998 by the International Financing Review, "Asia's Best Derivatives Exchange" in 1999 and 2000 by the Asset magazine and the "Best Asian Derivatives Exchange in 2000" by AsiaRisk. Its position as an international marketplace is well recognised, with over 80% of its customer traders originating from the United States, Europe, Japan and other overseas markets.

3. Recognition by the U.S. Commodity Futures Trading Commission

In August 1984, Commodity Futures Trading Commission (CFTC) approved the Mutual Offset System (MOS) trading/clearing link between the Chicago Mercantile Exchange (CME) and SGX-DT, which permits clearing members of either Exchange to establish or liquidate positions on one Exchange through the execution of trades on the other Exchange. SGX-DT's business, rules and trading practices were assessed in reviewing the application of the CME to implement MOS link with SGX-DT. Specifically, CFTC has concluded that SGX-DT rules were generally similar to and afford many of the protections found on regulated US contract markets, upon analysing the customer protection, market and trade practice surveillance rules of SGX-DT.

In addition, in December 1999, SGX-DT has received CFTC's approval to make its electronic trading system, the SGX ETS, available to SGX-DT Members and their respective affiliates in the United States.



4. Singapore Government Securities (SGS)

SGS are marketable debt instruments issued by the Government of Singapore through the Monetary Authority of Singapore (MAS). These debt instruments are in the form of either Treasury bills or bonds. Currently, the MAS has issued 3-month and 1-year Treasury bills as well as 2-year, 5-year, 7-year, 10-year and 15-year government bonds. Unlike many other countries, the Singapore Government does not need to borrow funds through the issuance of the government bonds to finance its expenditures as it operates a balanced budget policy and often enjoys budget surplus.

Therefore, the objectives of the developing the SGS market are to provide a liquid and low/risk free investment alternative for individuals and institutional investors and to establish a liquid government bond market, which serves as a long term, fixed income benchmark for the corporate debt securities market. For your information, Moody's Investor Services has assigned Singapore government debt, a long-term domestic currency credit rating of "Aaa" and a long term foreign currency credit rating of "Aa1". Under Standard and Poor's long term domestic currency and foreign currency credit rating, Singapore sovereign debt has been rated "AAA" for both categories.

Until 1998, the Singapore capital market consisted of Singapore Government Securities issued by MAS for banks to meet reserve requirements. However, since 1998, the MAS had introduced several changes to promote the growth of the domestic capital market, particularly the bond market. This includes the introduction of the bond auction schedule, the extension of the yield curve to 15 year, a significant increase in the total amount of SGS outstanding and the easing of regulations and restrictions (MAS Notice 757) which permits foreign entities to borrow S\$ domestically and invest as long as the funds are swapped out into the foreign currency if not used in Singapore.

The Singapore Government's commitment in the recent years to deepen and broaden its high quality Singapore Dollar debt market has witnessed tremendous growth in new issuance and turnover of SGS. The outstanding amount of SGS increased by 77% from S\$28.6 billion in 1998 to S\$50.5 billion as of September 2001. New issuance of SGS as of September 2001 was 40.2 billion, a 13.8% increase compared to the new issuance in 1998. In addition, the liquidity and activity in the secondary market has improved tremendously. The SGS average daily turnover surged to S\$1.8 billion as of September 2001, representing a 154% increase over 1998's average daily turnover of S\$721 million.

Besides changes initiated by the MAS, the growth in the Singapore government securities market is largely supported by the primary dealers as well as the secondary dealers, made up of local and international banks of global repute. Currently, there are 12 approved primary dealers who provide liquidity to the SGS markets by quoting two-way prices under all market conditions. There are 18 approved secondary dealers among

Issuer rating



banks, merchants and stockbroking firms as well as other 72 banks involved in trading of the government securities.

We have enclosed detailed information on the SGS, the outstanding SGS amount, new issuance of SGS, the average daily turnover volume and a list of primary and secondary dealers in Appendix 2.1 - 2.5 for your reference.

5. SGX 5-year Singapore Government Bond futures contract

With rising demand and greater participation from both domestic and global institutions and corporates in the SGS market, SGX-DT listed the 5-year Singapore Government Bond futures contract on 29 June 2001, providing an excellent risk management tool and enhanced trading capability for bond investors. The 5-year Singapore Government Bond futures contract has a notional size of S\$100,000 and is based on a basket of Singapore Government Bonds, each with a minimum size of S\$1 billion and of 3 to 6 years' terms-to-maturity. It is price quoted and the minimum price fluctuation is S\$10 per 0.01 point. There are two quarterly contracts for this futures contract. The contract is traded on SGX Electronic System (SGX ETS) and it is cash settled. The contract traded a total of 47,867 contracts between 29 June 2001 and 30 September 2001, attaining an average daily volume of 736 contracts. Based on trading statistics, the average bid and offer spread (between 29 June and 30 September 01) for the near and far month are 0.03 and 0.06 respectively. The contract specification, rules, volume, open interest and bid/ask spread are provided in Appendix 3.1 - 3.4.

Typically, the clearing fees for the Singapore Government Bond futures contract range from S\$1 to S\$2, depending on the type of accounts held with the Exchange. The commission fees charged by the Futures Commission Merchants (brokers) vary widely with an estimated range of S\$3 - S\$12 per contract.

6. Conclusion

On the basis of the foregoing discussed application details, and supported by the accompanying Appendices, we seek the Security and Exchange Commission's approval for SGX-DT to market, promote and offer its 5-year Singapore Government Bond futures contract to US investors domiciled in the United States. We would be pleased to furnish the Commission with any further clarification and/or details as may be required by the Commission to consider this application and if granted, we will continue to work with the Commission in any enquiry, investigation and enforcement of the Commission's regulation relating to the trading of the Singapore Government Bond futures contracts in United States.



If further clarifications or details are required at any time, please contact me at (65) 236 5161 or at JimmyAng@sgx.com. You may also contact our New York office representative, Mr. Len Schuman (President, SGX America Ltd) at (212) 481 8080 or at lenjs@worldnet.att.net.

We look forward to the Commission's early and favourable review of our request to include the government securities of the Republic of Singapore as "exempted securities" under Rule 3a12-8 for the purpose of marketing and trading the SGX 5-year Singapore Government Bond futures contract in the United States.

Thank you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jimmy Ang'.

JIMMY ANG
Executive Vice President

Cc: Mr. Ang Swee Tian (President, Singapore Exchange Limited)
Mr. Benjamin Foo (Senior Vice President, Singapore Exchange Limited)
Mr. Len Schuman (President, SGX America Ltd)

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SGX-DI PRODUCTS AND TRADING HOURS (SINGAPORE TIME)

	Open Outcry	SGX-ETS	Mutual Offset
Interest Rates Futures			
SGX Eurodollar Futures	7.45 am - 7.00 pm	n.a.	9.20 pm - 4.00 am*
SGX Euroyen (TIBOR) Futures	7.43 am - 7.05 pm	7.40 am - 7.05 pm	9.20 pm - 4.00 am*
SGX Euroyen (LIBOR) Futures	7.43 am - 7.05 pm	7.40 am - 7.05 pm	9.20 pm - 4.00 am*
SGX 10-Year Japanese Government Bond Futures	7.45 am - 5.15 pm	7.45 am - 5.15 pm	9.20 pm - 4.00 am*
SGX 5-year Singapore Government Bond Futures	n.a.	9.00 am - 5.00 pm	n.a.
SGX SGX 3-month Singapore Dollar Interest Rate Futures	8.45 am - 5.00 pm	n.a.	n.a.
Interest Rates Options			
SGX Eurodollar Options	7.45 am - 7.00 pm	n.a.	n.a.
SGX Euroyen (TIBOR) Options	7.43 am - 7.05 pm	7.40 am - 7.05 pm	n.a.
SGX Euroyen (LIBOR) Options	7.43 am - 7.05 pm	7.40 am - 7.05 pm	n.a.
SGX 10-Year Japanese Government Bond Options	7.45 am - 5.15 pm	n.a.	n.a.
Equity Futures Cont.			
SGX Nikkei 225 Index Futures	7.55 am - 10.15 am 11.15 am - 2.25 pm	3.30 pm - 7.00 pm	n.a.
SGX Nikkei 300 Index Futures	8.00 am - 10.15 am 11.15 am - 2.15 pm	1.00 pm - 7.00 pm	n.a.
SGX MSCI Taiwan Index Futures	8.45 am - 1.45 pm	8.45 am - 2.45 pm 4.00 pm - 7.00 pm	
SGX MSCI Singapore Index Futures	n.a.	8.45 am - 12.35 pm 2.00 pm - 5.15 pm	
SGX Straits Times Index Futures	n.a.	8.45 am - 12.35 pm 2.00 pm - 5.15 pm	
SGX MSCI Hong Kong Index Futures	n.a.	9.45 am - 12.30 pm 2.30 pm - 4.15 pm	
SGX S&P CNX Nifty (India) Index Futures	n.a.	12.15 pm - 6.15 pm	
SGX Single Stock Futures	n.a.	9.00 am - 12.30 pm 2.00 pm - 5.00 pm	
Equity Options Cont.			
SGX Nikkei 225 Index Options	7.55 am - 10.15 am 11.15 am - 2.25 pm	3.30 pm - 7.00 pm	n.a.
SGX Nikkei 300 Index Options	8.00 am - 10.15 am 11.15 am - 2.15 pm	n.a.	n.a.
SGX MSCI Taiwan Index Options	8.45 am - 1.45 pm	n.a.	n.a.
Energy			
SGX Brent Crude	n.a.	9.25 am - 4.00 pm	4.00 pm - 5.45 pm** 6.02 pm - 4.13 am**

* Mutual Offset Trading with CME

** Mutual Offset Trading with EPE

DETAILS OF OUTSTANDING SGS

SGS Treasury Bills

3 Months Treasury Bills

Issue Code	ISIN Code	Maturity Date	Issue Size (\$\$million)
BQ01129F	SGS168891843	25/10/01	850
BQ01130W	SGS169891859	01/11/01	850
BQ01131N	SGS238893670	08/11/01	800
BQ01132V	SGS239893687	15/11/01	800
BQ01133A	SGS240893692	22/11/01	750
BQ01134E	SGS241893709	29/11/01	800
BQ01135F	SGS242893716	06/12/01	800
BQ01136Z	SGS267893955	13/12/01	750
BQ01137S	SGS243893723	20/12/01	750
BQ01138H	SGS244893730	27/12/01	750
BQ01139T	SGS245893747	03/01/02	800
BQ01140E	SGS246893753	10/01/02	800
BQ01141P*	SGS263893806	17/01/02	700

* 3-month Benchmark Issue

1 Year Treasury Bills

Issue Code	ISIN Code	Maturity Date	Issue Size (\$\$million)
BY00101X	SG4890885958	14/12/01	2000
BY00102H*	SG5072888076	14/05/02	2500

* 1 Year Benchmark Issue

SGS Bonds

Original Maturity : 2 Years

Issue Code	ISIN Code	Maturity Date	Year Issued	Coupon Rate (%)	Interest Payment Date		Issue Size (\$ million)
N200100H	SG4932884762	15/04/02	2000	2 7/8	15/04	15/10	2700
N201100S*	SG502884771	15/04/03	2001	2 1/4	01/04	01/10	2600

Original Maturity : 5 Years

Issue Code	ISIN Code	Maturity Date	Year Issued	Coupon Rate (%)	Interest Payment Date		Issue Size (\$ million)
N597100Z	SG493884779	15/05/02	1997	3 1/4	15/05	15/11	780
N598100T	SG493884793	01/02/03	1998	4 1/8	01/02	01/08	700
N598101X	SG493884800	01/09/03	1998	5 1/8	01/09	01/03	850
N599100H	SG493884824	01/02/04	1999	3 1/2	01/02	01/08	1000
N599101T	SG493884817	15/05/04	1999	3 3/8	15/05	15/11	1750
N500100X	SG493884749	01/02/05	2000	4	01/02	01/08	2500

Original Maturity : 7 Years

Issue Code	ISIN Code	Maturity Date	Year Issued	Coupon Rate (%)	Interest Payment Date		Issue Size (\$ million)
N795100Z	SG493884786	01/11/02	1995	3	01/11	01/05	2600
N796100F	SG493884672	15/06/03	1996	2 1/2	15/06	15/12	900
N797100E	SG493884831	15/11/04	1997	5 1/8	15/11	15/05	1500
N798100A	SG493884734	15/10/05	1998	4 3/8	15/10	15/04	3400
N700100B**	SG493884727	01/09/07	2000	4	01/03	01/09	3700

Original Maturity : 10 Years

Issue Code	ISIN Code	Maturity Date	Year Issued	Coupon Rate (%)	Interest Payment Date		Issue Size (\$ million)
NX98100H	SG493884689	01/07/08	1998	5 5/8	01/07	01/01	3600
NX99100S	SG493884696	15/01/09	1999	4 3/8	15/01	15/07	1500
NX00100T	SG493884703	01/07/10	2000	4 5/8	01/07	01/01	2400
NX01100H*	SG503884697	01/07/11	2000	3 5/8	01/01	01/07	2300

Original Maturity : 15 Years

Issue Code	ISIN Code	Maturity Date	Year Issued	Coupon Rate (%)	Interest Payment Date		Issue Size (\$ million)
NY01100F***	SG503884704	01/07/15	2001	3 3/4	01/03	01/09	2200

- * 2-year benchmark bond
- ** 5-year benchmark bond
- * 10 year benchmark bond
- ** 15-year benchmark bond

OUTSTANDING SGS

End of Period	Outstanding SGS (S\$ 'm)			Outstanding SGS (US\$ 'm)		
	Bills	Bonds	Total	Bills	Bonds	Total
1988	2,360	3,810	6,170	1,213	1,958	3,170
1989	1,900	5,630	7,530	1,003	2,972	3,975
1990	2,070	6,610	8,680	1,187	3,789	4,976
1991	3,470	7,710	11,180	2,128	4,729	6,857
1992	4,940	8,760	13,700	3,003	5,326	8,329
1993	4,990	10,460	15,450	3,103	6,505	9,608
1994	5,000	11,110	16,110	3,423	7,606	11,029
1995	5,750	12,810	18,560	4,066	9,057	13,123
1996	5,990	14,510	20,500	4,279	10,366	14,645
1997	6,920	14,970	21,890	4,130	8,935	13,065
1998	8,540	20,090	28,630	5,143	12,099	17,242
1999	12,160	23,140	35,300	7,299	13,890	21,188
2000	13,380	29,860	43,240	7,727	17,245	24,973
2001						
Jan	13,380	29,860	43,240	7,671	17,119	24,789
Feb	13,530	31,660	45,190	7,771	18,185	25,956
Mar	13,730	32,960	46,690	7,626	18,306	25,932
Apr	13,730	34,580	48,310	7,550	19,016	26,566
May	14,280	34,580	48,860	7,900	19,131	27,032
Jun	14,350	33,580	47,930	7,882	18,443	26,325
Jul	14,550	33,980	50,430	8,077	19,917	27,993
Aug	14,650	33,880	50,530	8,423	20,629	29,052
Sep	14,700	33,780	50,480	8,328	20,271	28,599

Source: Monetary Authority of Singapore (MAS)

Note: The outstanding amount in terms of US dollars, is calculated based on the exchange rate table, provided in Appendix 2.6.

Illustration:

Exchange rate for Sept 2001 : US\$ 1 = S\$ 1.7651

Therefore, Sept 01's outstanding amount = 1 / 1.7651 (US\$/S\$) x 50,480 (S\$)
= US\$28,599 million

NEW ISSUE OF SGS

Year	Bills	Bonds	Total (\$billion)
1996	4.2	21.3	25.5
1997	3.5	22.5	26.0
1998	7.8	27.5	35.3
1999	7.4	35.3	42.7
2000	12.1	41.9	54.0
2001 Jan - Sep	11.0	29.2	40.2

Source: Monetary Authority of Singapore (MAS)

SGS AVERAGE DAILY TURNOVER VOLUME

Year	Bills (S\$ million)	Bonds (S\$ million)	Total (S\$ million)
1968	102	292	394
1989	72	132	204
1990	85	80	165
1991	71	67	138
1992	105	134	239
1993	95	165	260
1994	104	94	198
1995	103	180	283
1996	109	197	306
1997	162	199	361
1998	249	472	721
1999	92	423	515
2000	200	616	816
2001			
Jan	201	1,596	1,797
Feb	442	1,473	1,915
Mar	390	1,791	2,181
Apr	278	966	1,244
May	267	446	713
Jun	136	452	588
Jul	283	933	1,216
Aug	212	605	817
Sep	261	1,572	1,833

Bills (US\$ million)	Bonds (US\$ million)	Total (US\$ million)
52.4	150.0	202.4
38.0	69.7	107.7
48.7	45.9	94.6
43.5	41.1	84.6
63.8	81.5	145.3
59.1	102.6	161.7
71.2	64.4	135.6
72.8	127.3	200.1
77.9	140.7	218.6
96.7	118.8	215.5
150.0	284.3	434.2
55.2	253.9	309.1
115.5	355.8	471.3
115.2	915.0	1,030.2
253.9	846.1	1,099.9
216.6	994.7	1,211.3
152.9	531.2	684.1
147.7	246.7	394.5
74.7	248.3	323.0
157.1	517.9	675.0
121.9	347.8	469.7
147.9	890.6	1,038.5

Source: Monetary Authority of Singapore (MAS)

Note: The average daily turnover volume in terms of US dollar, is calculated based on the exchange rate table provided in Appendix 2.6.

Illustration:

Exchange rate for Sept 2001 : US\$ 1 = S\$ 1.765

Therefore, Sept 01's average daily turnover = $1.7651 \text{ (US\$/S\$)} \times 1,833 \text{ (S\$)}$
 = US\$ 3,238.5 million

SGS Market Primary Dealers

1. Bank of America National Association
2. Barclays Bank PLC
3. Citibank NA
4. Credit Suisse First Boston
5. Deutsche Bank AG
6. The Development Bank of Singapore
7. The Hongkong Shanghai Banking Corporation Limited
8. Keppel Tai Loo Bank Limited
9. Oversea-Chinese Banking Corporation Limited
10. Overseas Union Bank
11. Standard Chartered Bank
12. United Overseas Bank Ltd

SGS Market Secondary Dealers

1. ABN AMRO Bank NV
2. Bank of China
3. The Bank of Tokyo-Mitsubishi
4. Credit Agricole Indosuez
5. The Chase Manhattan Bank
6. Industrial & Commercial Bank Ltd
7. Malayan Banking Bhd
8. RHB Bank Berhad
9. Dresdner Bank AG
10. Bayerische Landesbank Girozentrale
11. UBS AG
12. Societe Generale
13. Credit Lyonnais
14. Australia & New Zealand Banking Group
15. Sanpaolo IMI Spa
16. ING Bank NV
17. Commerzbank Aktiengesellschaft
18. Westdeutsche Landesbank Girozentrale

APPENDIX 2.6

EXCHANGE RATES (Singapore dollar per unit of US dollar)

End Period	Exchange Rate
1988	1.9462
1989	1.8944
1990	1.7445
1991	1.6305
1992	1.6449
1993	1.6060
1994	1.4607
1995	1.4143
1996	1.3998
1997	1.6755
1998	1.6605
1999	1.6660
2000	1.7315
2001	
Jan	1.7443
Feb	1.7410
Mar	1.8005
Apr	1.8185
May	1.8075
Jun	1.8207
Jul	1.8015
Aug	1.7393
Sept	1.7651

Note: The exchange is obtained from the official website of the Monetary Authority of Singapore (MAS).

APPENDIX 3.1

**CONTRACT SPECIFICATION
SGX 5-YEAR SINGAPORE GOVERNMENT BOND FUTURES**

Contract Size	SGD 100,000 per Contract
Ticker Symbol	SB
Tenor	5 Year Singapore Government Bond
Coupon	3%
Contract Months	2 nearest quarterly months in the March, June, September, December quarterly cycle.
Tick Size	0.01
Tick Value	SGD 10
Minimum Price Fluctuation	SGD 0.01 per SGD100 face value = SGD10 per tick
Daily Price Limit	None
Position Limit	5,000 contracts
Price Quotation	Price e.g., 101.68
Settlement	Cash
Last Trading Day	Last Singapore business day of the contract month
Trading Hours	Monday - Friday 9:00 am - 5:00 p.m. (Singapore Time)
Trading Hours On Last Trading Day	Trading in the expiring contract will terminate at 4:00 p.m. (Singapore Time) on the Last Trading Day.
Trading Method	SIEX Electronic Trading System
Other Trading Facility	Exchange of Futures for Physicals (EFP)
Eligible Bonds	<p>The Exchange designates a basket of Singapore Government Bonds with a minimum issuance size of at least S\$1 billion and 3 to 6 years term-to-maturity on the last calendar day of the Contract Month and/or such other issuance size or maturity as may be selected and prescribed by the Exchange where the Exchange deems it fit and necessary.</p> <p>The basket of eligible bonds and the benchmark bond for final settlement will be announced on the last Singapore business day 6 months prior to the Contract Month. Any changes to the basket of eligible bonds can only be made thereafter if there is no open interest for that Contract Month. E.g., for the Mar02 Contract, the Exchange will announce the eligible bonds in the basket and designate the benchmark bond for final settlement on the last Singapore business day in Sept 2001.</p>

Final Settlement Price

The Final Settlement Price shall be calculated from the prices, for the selected bonds in the basket, provided by the Singapore Government Securities Dealers for the Monetary Authority of Singapore's ("MAS") daily fixing of Singapore Government Bonds on the Last Trading Day.

From the prices contributed to MAS for each bond in the basket, the arithmetic mean of the bid and offer prices shall be calculated, after discarding the 3 highest and 3 lowest bids and the 3 highest and 3 lowest offers, and converted to yield, rounded to the nearest eight (8) decimal places.

The final yield for all the bonds in the selected basket, rounded to the nearest five (5) decimal places, is derived from the yield for each bond in the basket after weighting the yield of the benchmark bond in the selected basket by 60% or such other weighting as may be prescribed by the Exchange. The remaining weighting shall be equally distributed over the remaining yields.

The final settlement price shall be calculated from the final yield in accordance with the following formula rounded to the nearest two (2) decimal places:

$$\text{Price} = [(C/Y) [1 - (1 + Y/2)^{-2N}] + (1 + Y/2)^{-2N}] * \$\$100$$

where N is the number of years, = 5

C is the coupon, = 0.03

Y is the yield rounded to the nearest five(5) decimal places, (e.g., 3.091% is expressed as 0.03091)

Notwithstanding the foregoing, the Exchange may, where the means for determining the Final Settlement Price as prescribed in the foregoing are not available, resolve that the Final Settlement Price shall be determined by such other means as the Exchange may at its sole discretion decide. For the purpose of this Rule, the decision of the Exchange as aforesaid and the price determined by such other means shall be final and binding upon all parties to the Contract.

CHAPTER 48
FIVE-YEAR SINGAPORE GOVERNMENT BOND FUTURES ⁽¹⁾

4800 Scope of Chapter

This chapter is limited in application to trading in the 5-year Singapore Government Bond Futures Contract ("Contract"). Any matters relevant to the trading of the 5-year Singapore Government Bond Futures Contract not specifically covered herein shall be governed by the other Rules of the Exchange.

4801 Definitions

For the purpose of this chapter, "Singapore Government Bond Futures Contract" shall mean the futures contract traded on the Exchange based on a selected basket of Singapore Government Bonds with a minimum issuance size of at least S\$1 billion and 3 to 6 years term-to-maturity on the first calendar day of the Contract Month and/or such other issuance size or maturity as may be prescribed by the Exchange where the Exchange deems it fit and necessary.

4802 Commodity Specifications

Each Contract shall be for a notional 5-year Singapore Government Bond with a face value of S\$100,000 bearing 3% coupon.

4803 Futures Call

A. Contract Months and Trading Hours

The Contract shall be listed for such Contract Months and scheduled for trading during such hours as may be determined from time to time by the Exchange.

B. Trading Unit

The trading unit shall be for a 5-year Singapore Government Bond with a face value at maturity of S\$100,000.

C. Minimum Fluctuations

Bids and offers shall be quoted in multiples of S\$0.01 per S\$100 face value (S\$10 per tick).

D. Daily Price Limits

Unless otherwise prescribed by the Exchange and without prejudice to Rule 4803D, there shall be no daily price limits. Any daily price limits prescribed

⁽¹⁾ Listed 29 June 2001.

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by the Exchange pursuant to this Rule 4803D is subject to change or removal by the Exchange at its discretion.

E. Position Limits

No person shall own or control more than 5,000 contracts net long or net short in all Contract Months combined, unless otherwise separately approved by the Exchange.

F. Accumulation of Positions

For the purposes of this rule, the Positions of all accounts directly or indirectly owned or controlled by a person or persons, and the Positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the Positions of all accounts in which a person or persons has/have a proprietary or beneficial interest, shall be cumulated and deemed to be Positions of each of such person(s) as if each owned or controlled all the cumulated Positions individually.

G. Exemptions

The Exchange may from time to time provide exemptions to the foregoing position limits whether generally or in respect to any persons and whether absolutely or subject to conditions.

H. Termination of Trading

Futures trading shall terminate on the last Singapore business day of the Contract Month. The day on which futures trading terminates as aforesaid shall be referred to as the "Last Trading Day" of the Contract Month.

If the termination of trading date determined by the preceding sentence is a Singapore public holiday, futures trading shall terminate on the next Singapore business day.

I. Contract Modifications

The Exchange shall at all times be recognised as having and shall be deemed to have the power to prescribe amendments and/or modifications to the specifications for the Contract and to prescribe for the application of such prescriptions either prospectively or retroactively. Contingent upon and subject to such prescriptions providing otherwise, such specifications shall be fixed as from the first day of trading a Contract. All deliveries shall conform to government regulations in force at the time of delivery provided that if any national or international agency or body issues an order, ruling, directive or law that conflicts with or adds to the requirements of any and all applicable Rules whether in this chapter or otherwise, such order, ruling, directive, law, unless the Exchange otherwise determines (to the extent permitted by law), shall take precedence over and become part of the Rules, and all affected Contracts shall be subject to such order, ruling, directive or law.

4804 Delivery

Delivery under the Singapore Government Bond futures contract shall be by cash settlement.

A. Final Settlement Price

The Final Settlement Price shall be calculated from the prices, for the selected bonds in the basket, provided by the Singapore Government Securities dealers for the Monetary Authority of Singapore's ("MAS") daily fixing of Singapore Government Bonds on the Last Trading Day.

From the prices contributed to MAS for each bond in the basket, the arithmetic mean of the bid and offer prices shall be calculated, after discarding the 3 highest and 3 lowest bids and the 3 highest and 3 lowest offers, and converted to yield, rounded to the nearest eight (8) decimal places.

The final yield for all the bonds in the selected basket, rounded to the nearest five (5) decimal places, is derived from the yield for each bond in the basket after weighting the yield of the benchmark bond in the selected basket by 60% or such other weighting as may be prescribed by the Exchange. The remaining weighting shall be equally distributed over the remaining yields.

The Final Settlement Price shall be calculated from the final yield in accordance with the following formula rounded to the nearest two (2) decimal places:

$$\text{Price} = [(C/Y) [1 - (1 + Y/2)^{-2N}] + (1 + Y/2)^{-2N}] * S\$100$$

where N is the number of years, = 5

C is the coupon, = 0.03

Y is the yield rounded to the nearest five (5) decimal places,
(E.g., 3.091% is expressed as 0.03091)

Notwithstanding the foregoing, the Exchange may, where the means for determining the Final Settlement Price as prescribed in the foregoing are not available, resolve that the Final Settlement Price shall be determined by such other means as the Exchange may at its sole discretion decide. For the purpose of this Rule, the decision of the Exchange as aforesaid and the price determined by such other means shall be final and binding upon all parties to the Contract.

B. Final Settlement

Clearing Members holding open positions in the Contract at the time of termination of trading in that Contract shall make payment to or receive payment from the Clearing House in accordance with such variation margin procedures as prescribed by the Clearing House based on a Settlement Price equal to the Final Settlement Price.

4805 Emergencies, Acts of God, Acts of Government

If delivery or acceptance or any precondition or requirement of either delivery or acceptance is prevented by a strike, fire, accident, action of government or act of God or other emergency, the Clearing Member making delivery or the Clearing Member accepting delivery shall immediately notify the President. Whether or not the President is so notified by such Clearing Member, if the President determines that emergency action may be necessary, he shall call a special meeting of the Exchange or the Clearing House Committee and arrange for the presentation of evidence relating to the emergency condition. If the Exchange or the Clearing House Committee determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the Contract.

4806 Failure to Perform

If the Clearing Member with a delivery commitment fails to perform all acts required by this chapter, then that Clearing Member shall be deemed as failing to perform, which failure may be punishable as a major violation. A Clearing Member shall be liable to the Clearing Member to whom it was matched on the failing transaction for any loss sustained. The Exchange shall determine and assess losses sustained taking into account the Settlement Price, interest foregone and such other factors as it deems appropriate. The Exchange may also assess such penalties as it deems appropriate in addition to damages.

(End of Chapter 48)

VOLUME AND OPEN INTEREST

5-year Singapore Government Bond Futures

Month	Total Volume	Average Daily Volume	Month-End Open Interest
29 June 01	989	989	616
July 01	18,446	838	3,284
August 01	15,918	724	4,492
September 01	12,514	626	2,720

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DAILY BID/ASK SPREAD
 (29 June 2001 - 30 September 2001)

Date	Sept 01 Contract			Dec 01 Contract		
	Bid	Ask	Spread	Bid	Ask	Spread
29/06/01	99.80	100.02	0.22	99.20	99.21	0.01
30/06/01						
01/07/01						
02/07/01	99.93	99.96	0.03	99.06	99.14	0.08
03/07/01	100.06	100.07	0.01	99.30	99.35	0.05
04/07/01	100.04	100.08	0.04	99.25	99.35	0.10
05/07/01	100.02	100.04	0.02	99.20	99.30	0.10
06/07/01	99.97	100.00	0.03	99.24	99.30	0.06
07/07/01						
08/07/01						
09/07/01	100.02	100.04	0.02	99.25	99.35	0.10
10/07/01	100.09	100.11	0.02	99.30	99.68	0.38
11/07/01	100.16	100.23	0.07	99.44	99.65	0.21
12/07/01	100.24	100.30	0.06	99.65	99.77	0.12
13/07/01	100.18	100.21	0.03	99.54	99.80	0.26
14/07/01						
15/07/01						
16/07/01	100.19	100.20	0.01	99.65	99.78	0.13
17/07/01	100.21	100.23	0.02	99.73	99.77	0.04
18/07/01	100.27	100.28	0.01	99.75	99.80	0.05
19/07/01	100.26	100.28	0.02	99.72	99.75	0.03
20/07/01	100.32	100.35	0.03	99.77	99.82	0.05
21/07/01						
22/07/01						
23/07/01	100.25	100.28	0.03	99.70	99.75	0.05
24/07/01	100.30	100.35	0.05	99.59	99.76	0.17
25/07/01	100.31	100.36	0.05	99.70	99.75	0.05
26/07/01	100.37	100.40	0.03	99.76	99.80	0.04
27/07/01	100.35	100.40	0.05	99.80	99.95	0.15
28/07/01						
29/07/01						
30/07/01	100.19	100.21	0.02	99.65	99.69	0.04
31/07/01	100.22	100.23	0.01	99.63	99.64	0.01
01/08/01	100.15	100.18	0.03	99.53	99.64	0.11
02/08/01	100.17	100.21	0.04	99.55	99.59	0.04
03/08/01	100.18	100.20	0.02	99.55	99.59	0.04
04/08/01						
05/08/01						
06/08/01	100.21	100.23	0.02	99.54	99.60	0.06
07/08/01	100.23	100.25	0.02	99.55	99.63	0.08
08/08/01	100.28	100.29	0.01	99.58	99.61	0.03
09/08/01	P.H.	P.H.	P.H.	P.H.	P.H.	P.H.
10/08/01	100.36	100.38	0.02	99.62	99.66	0.04
11/08/01						
12/08/01						
13/08/01	100.41	100.42	0.01	99.66	99.68	0.02
14/08/01	100.40	100.43	0.03	99.65	99.71	0.06
15/08/01	100.37	100.39	0.02	99.65	99.68	0.03

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16/08/01	100.38	100.40	0.02	99.62	99.69	0.07
17/08/01	100.42	100.43	0.01	99.67	99.70	0.03
18/08/01						
19/08/01						
20/08/01	100.38	100.41	0.03	99.56	99.66	0.10
21/08/01	100.39	100.43	0.04	99.60	99.65	0.05
22/08/01	100.44	100.45	0.01	99.63	99.65	0.02
23/08/01	100.41	100.44	0.03	99.63	99.65	0.02
24/08/01	100.43	100.44	0.01	99.59	99.61	0.02
25/08/01						
26/08/01						
27/08/01	100.45	100.46	0.01	99.60	99.63	0.03
28/08/01	100.45	100.46	0.01	99.60	99.63	0.03
29/08/01	100.49	100.53	0.04	99.65	99.70	0.05
30/08/01	100.55	100.57	0.02	99.68	99.71	0.03
31/08/01	100.59	100.60	0.01	99.72	99.75	0.03
01/09/01						
02/09/01						
03/09/01	100.67	100.70	0.03	99.82	99.93	0.11
04/09/01	100.71	100.75	0.04	99.85	99.87	0.02
05/09/01	100.68	100.69	0.01	99.79	99.82	0.03
06/09/01	100.66	100.69	0.03	99.78	99.81	0.03
07/09/01	100.62	100.65	0.03	99.75	99.79	0.04
08/09/01						
09/09/01						
10/09/01	100.70	100.72	0.02	99.80	99.84	0.04
11/09/01	100.68	100.70	0.02	99.84	99.85	0.01
12/09/01	100.80	100.82	0.02	99.90	99.98	0.08
13/09/01	100.83	100.86	0.03	99.98	100.06	0.08
14/09/01	100.97	101.00	0.03	100.14	100.15	0.01
15/09/01						
16/09/01						
17/09/01	101.20	101.24	0.04	100.30	100.33	0.03
18/09/01	101.12	101.16	0.04	100.21	100.26	0.05
19/09/01	101.10	101.15	0.05	100.20	100.23	0.03
20/09/01	101.22	101.25	0.03	100.29	100.30	0.01
21/09/01	101.29	101.32	0.03	100.35	100.36	0.01
22/09/01						
23/09/01						
24/09/01	101.50	101.54	0.04	100.53	100.56	0.03
25/09/01	101.41	101.47	0.06	100.45	100.49	0.04
26/09/01	101.47	101.50	0.03	100.51	100.54	0.03
27/09/01	101.58	101.62	0.04	100.63	100.65	0.02
28/09/01	101.65	101.70	0.05	100.69	100.71	0.02
29/09/01						
30/09/01						
Average			0.03			0.06