

## Technical Notice

12-003

**TO:** Montréal Exchange Participants

**FROM:** Participant Connectivity Coordinator

**SUBJECT:** Relisting of MX Share Futures on Individual Canadian Stocks (SF contracts)

**DATE:** February 14, 2012

This notice is to inform all clients that subject to compliance with the conditions set forth in the self-certification process as established in the Derivatives Act (R.S.Q. chapter I-14.01), and pursuant to obtaining the consent of regulatory authorities in other jurisdictions where required, the Montréal Exchange (MX) will relist its Share Futures on Individual Canadian Stocks (SF contracts) on **Friday, March 2, 2012**.

The Share Future contracts will meet the needs of diverse participants, mainly institutional investors, hedge funds, portfolio managers, and retail investors. With the relisting of its SF contracts, MX further extends its offering in the equity derivatives products complex.

The SF contracts will be traded in Canadian dollars and physically delivered. They will have a trading unit (contract size) of 100 shares.

Information on the SF contracts will be made available on the MX website at <http://www.m-x.ca>. For all business related questions, please contact our customer relations representative by telephone at 1-866-871-7878 or by e-mail at [info@m-x.ca](mailto:info@m-x.ca). Contract specifications for the SF contracts are presented on page 3.

Initial list of Underlying Canadian Stocks for SF Contracts	Class Symbol Code	MX SF Symbol Code
Bank of Montreal	BMO	FBO
Bank of Nova Scotia	BNS	FNS
Barrick Gold Corporation	ABX	FBA
BCE Inc	BCE	FBC
Canadian Imperial Bank of Commerce	CM	FCB
Canadian National Railway Company	CNR	FCN
EnCana Corporation	ECA	FEA
IAMGOLD Corporation	IMG	FIM
Manulife Financial Corporation	MFC	FMF
National Bank	NA	FNB
Royal Bank of Canada	RY	FRY
Suncor Energy Inc	SU	FSU
Sun Life Financial Inc	SLF	FLF
TD Bank (Toronto Dominion)	NA	FTD
Thomson Reuters Corporation	TRI	FRT

The **Share Future** contracts will have the following expiry months:

- **April 2012, May 2012, June 2012, September 2012, December 2012 and March 2013**

### **Test Environment**

The SF contracts are available in the MX testing environment should Approved Participants require testing. Application testing and support is available Mondays through Thursdays, from 8:00 am (EST) to 4:30 pm (EST) and on Fridays, from 8:00 am (EST) to 4:00 pm (EST). After-hour testing is available without support on Mondays through Thursdays, from 4:30 pm (EST) to 10:30 pm (EST)

### **Contact Information**

For additional information on this notice, SF contracts, or for any technical assistance, please do not hesitate to contact the Technical Help Desk by telephone at 1-877 588-8489, or by e-mail at [samsupport@m-x.ca](mailto:samsupport@m-x.ca).

We thank you for your cooperation.

Participant Connectivity Coordinator

## Contact Specifications

# Specifications

### SHARE FUTURES\* ON INDIVIDUAL CANADIAN STOCKS

<b>Underlying</b>	Individual Canadian stocks.
<b>Trading Unit</b>	The trading unit shall be determined for each share futures contract.
<b>Contract Months</b>	Quarterly and serials contract months.
<b>Price Quotation</b>	Prices are quoted in Canadian cents and dollars per share for Canadian shares.
<b>Minimum Price Fluctuation</b>	CAN \$0.01 per share.
<b>Last Trading Day</b>	Trading ceases at 4:00 p.m. (ET) on the third Friday of the contract month, providing it is a business day; if not, the first preceding business day.
<b>Final Settlement Price</b>	The trading unit of the corresponding share futures contract times the last trade price of the underlying stock at the close of the last trading day.
<b>Contract Type</b>	Delivery of the underlying via the Canadian Depository for Securities Limited (CDS), on the third business day following the Last Trading Day.
<b>Reporting Limit Level</b>	The equivalence of 25,000 shares gross long or gross short) in all contracts months combined.
<b>Position Limits</b>	Varies between the equivalent of 1,350,000 shares and 7,500,000 shares net long or net short positions in all contract months combined. Information on position limits can be obtained from Bourse de Montréal Inc. as they are subject to periodical changes.
<b>Exchange of Futures for Physicals (EFP) and Exchange for Risk (EFR)</b>	Approved Participants may exchange a futures position for a physical position (EFP) or an over-the-counter derivative instrument (EFR) of equal quantity by submitting a notice to the Bourse. EFPs and EFRs may be used to either initiate or liquidate a futures position.
<b>Daily Price Limit</b>	A trading halt of a share futures contract will be invoked in conjunction with the triggering of a trading halt in the underlying stock. <ul style="list-style-type: none"> <li>▪ Early session: 6:00 A.M. to 9:15 A.M. (ET)*</li> <li>▪ Regular session: 9:30 A.M. to 4:00 P.M. (ET)</li> <li>▪ Extended session: 4:05 P.M. to 4:30 P.M. (ET)</li> </ul>
<b>Trading Hours</b>	<p>*During the early session when the underlying stock is not open for trading on a Recognized Exchange in Canada, the last traded price registered in the underlying stock during that session on a Recognized Exchange or an Alternative Trading System as this term is defined in Regulation 21-101 Respecting Marketplace Operation ("Canadian ATS") shall be used to determine the No Cancel Range for futures contracts on Canadian shares. In case of a last traded price registered on a Recognized Exchange outside of Canada, the relevant exchange rate published by Bloomberg will be used to convert the price in CAN dollars and cents.</p> <p>However, if there is no trade registered in the underlying stock on a Recognized Exchange or Canadian ATS during the early session and in accordance with article 6393A of the Rules of the Bourse, a trading range of 5% price variation (upper price limit and lower price limit) from the previous day's settlement price shall be applied to transactions on futures contracts on Canadian shares during the early session.</p>

\* Also referred to as single-stock futures