



Contract specifications for Options on the JSE-CBOT Corn Futures Contract

Name	Chicago Corn (Options)
Underlying instrument	One Chicago Corn futures contract.
Option type	American style options that may be exercised at any time before 12h00 on last trading day.
Contract size	One contract = 100 metric tons.
Contract months	March, May, July, September and December.
Price quotations	Options will be quoted in Rands (ZAR) per contract.
Strike price	R 20.00 per ton strike price intervals.
Expiry dates & times	<p>As per the Chicago Corn Futures contract:</p> <p>Last trading day of the option contract will be the same as the futures contract with option expiration date processed the last business day preceding the clearance date. The clearance date of the contract will be the first business day of the contract month.</p> <p>The final cash settlement value will only be finalised on the evening of the last trading day and published via Nutron the following business day.</p> <p>All options that are in the money based on the final cash settlement value will be automatically exercised on the last business day preceding the clearance date.</p> <p>The final variation margin will therefore be determined one day after last trading day and initial margin returned after the clearance day.</p> <p>Using Dec09 CORN as an example:</p> <p>Last trading day is 27 November at 12h00, final cash settlement value determined that evening and published the next business day.</p> <p>On Monday 30th November all options in the money are automatically exercised by the JSE based on final cash settlement value.</p> <p>Clearance date is 1 December with initial margins returned following business day.</p>
Option exercise criteria	Options are American style with the long position holder able to exercise the option position at any time during trading hours up to and including the expiration date (last trading day). Option can be exercised before 12h00 on the last trading day. All in the money options will be automatically exercised by the JSE the following business day based on the final cash settlement value.
Daily mark-to-market	JSE will determine the daily m-t-m in accordance with the defined processes.
Settlement method	Cash settled in South African Rands (ZAR).
Exchange fees	R 15.00 per contract (incl Vat), all options exercised into futures contracts will not be charged a fee, if exercised early the trades should not be included in any post trade activity to ensure no fees are applied to the trade.

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