



## JOHANNESBURG STOCK EXCHANGE SAFEX Commodity Derivatives

### Contract specifications for JSE – NYMEX Crude Oil Contract

Name	Crude Oil Contract (OPTIONS)
Underlying instrument	A JSE – NYMEX WTI Crude Oil Futures Contract
Option type	American style options
Contract size	One contract = 100 barrels
Contract months	February, June, August and December
Price quotations	Options will be quoted in Rands (ZAR) <b>per contract</b>
Strike price	R10.00 per barrel strike price intervals.
Expiration of trading	Trading ends two business days before the termination of trading in the underlying futures contract. In the event that the CME Group have a holiday scheduled in between this period, option expiration on the local contract will track the NYMEX expiration date. <i>Eg: December10 futures expire on the 18th November, options expire on the 16th November.</i>
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. All in the money options will be automatically exercised by the JSE.  The JSE will determine the final closing price on option expiration day 15 minutes prior to the close of trade – this will be published via an announcement on NUTRON.
Daily mark-to-market	The JSE will determine the daily m-t-m in accordance with the defined processes. A volatility surface will be applied referencing NYMEX as a benchmark.
Settlement method	Cash settled in South African Rand (ZAR).
Exchange fees	R6.00 per contract (incl Vat), all options exercised into futures will not be charged a JSE fee, if exercised early the trades should not be included in any post trade activity to realise this benefit.
Qualifying audience allowed to participate	<ul style="list-style-type: none"><li>» Individuals and Foreigners have no limits.</li><li>» Corporate entities have no limits.</li><li>» Pension funds and long term insurance companies subject to their 20% foreign allocation limits.</li><li>» Asset managers and registered collective investment schemes subject to their 30% foreign allocation limits.</li></ul>
Trade types accommodated	All trading activity (bids and offers) must be entered onto the central order book during trading hours however the JSE will accommodate the following report only trade types provided they meet the existing criteria: <ul style="list-style-type: none"><li>» Exchange for Risk (EFR's).</li><li>» Net-off of positions applicable to the same legal entity.</li></ul> The JSE will also accept OTC transactions specific to the contract should these be agreed to outside of the standard trading hours between registered counterparties. A minimum volume criteria of 200 contracts will be applicable unless participants require futures contracts to manage their delta exposure on an option portfolio, in this instance no minimum will be applicable. These transactions should be reported to the JSE before 07h30 the following morning and must be market related – this will then be entered into the order book by the JSE before market open.

**Disclaimer:** This document is intended to provide general information regarding the JSE Limited and its affiliates and subsidiaries ("JSE") and its products and services, and is not intended to, nor does it, constitute investment or other professional advice. It is prudent to consult professional advisers before making any investment decision or taking any action which might affect your personal finances or business. All information as set out in this document is provided for information purposes only and no responsibility or liability of any kind or nature, howsoever arising (including in negligence), will be accepted by the JSE, its officers, employees and agents for any errors contained in, or for any loss arising from use of, or reliance on this document. All rights, including copyright, in this document shall vest in the JSE. "JSE" is a trade mark of the JSE. No part of this document may be reproduced or amended without the prior written consent of the JSE.

Compiled: August 2010.

**JSE Limited – SAFEX Commodity Derivatives**  
Tel: +27 11 520 7535  
Email: [commodities@jse.co.za](mailto:commodities@jse.co.za)  
[www.jse.co.za](http://www.jse.co.za)