

Market Notice

Number: A1893
Date: 01 November 2013

Introduction of a White Maize Can-Do futures contract

The JSE is pleased to announce it will be introducing the first commodity Can-Do contract to the market. These contracts have proved to be highly successful on the equity and currency derivatives markets, providing an opportunity for participants to bring transactions that are more flexible in terms of the contract specifications through the clearing structures of the JSE.

The initial product will be specific to white maize and will be effective for trading on 4 November 2013. The Commodity Can-Do will reference the underlying white maize (WMAZ) market for daily valuations and although the Can-Do is cash settled a component of the settlement process also involves switching positions back into the Nov13 WMAZ contract. The product strives to address credit risk in daily margining requirements and to value the Can-Do as a spot future contract reflecting the carry cost and the underlying value of holding the physical commodity. The contract mimics the spot futures price for the holder of the Can-Do contract without receiving or making delivery of the underlying product. Please note position limits as per derivatives rule 10.40 will apply to this contract.

For a further overview on Can-Do contracts and what has already being achieved please visit <http://www.jse.co.za/cando>

Contracts Specifications- Commodity Can-Do XWMS

GENERAL TERMS	
Description	NOVEMBER WHITE MAIZE COMMODITY CAN- DO
Can-Do Name	Can-Do XWMS
Can-Do System Code	XWMS
Contract Size (Multiplier)	1 contract = 100 tons for the avoidance of doubt, this means that each contract will reference a price per ton multiplied by 100
Quotations	Price per ton in Rand



JSE Limited Registration Number: 2005/022939/06
One Exchange Square, Gwen Lane, Sandown, South Africa.
Private Bag X991174, Sandton, 2146, South Africa. Telephone:
+27 11 520 7000, Facsimile: +27 11 520 8584, www.jse.co.za

Member of the World Federation of Exchanges

Executive Directors: NF Newton-King (CEO),
A Takoordeen (CFO)

Non-Executive Directors: HJ Borkum (Chairman), AD Botha,
MR Johnston, DM Lawrence, A Mazwai, Dr. MA Matookane,
NP Mnxasana, NS Nematswerani, N Nyembezi-Heita, N Payne

Alternate Directors: JH Burke, LV Parsons

Company Secretary: GC Clarke

Minimum Price Movement	R0.20 per ton
JSE Fees	R24.00 per contract (INCL VAT)
Initial Margin	R15 000 per contract
Series spread margin	As per White Maize Series spread margin
Position Limits	The white maize position limits as per rule 10.40 for the spot month will apply to the contract
Trade Date	The date the Can-Do position is first entered into on the JSE
Business Day	Any day on which banks are open for a normal trading day in Johannesburg and grain prices are published by the JSE.
Underlying	
Underlying Future	WMAZ futures contract meeting all specifications as listed and traded on the Commodity Derivatives Division of the JSE
Daily MTM adjustments	Tracking the nearby WMAZ listed expiry month and deducting: <ul style="list-style-type: none"> • Safex standard maize storage at R0.57 cents per ton per day • Financing cost calculated as (# of days from and including 1 November 2013 <i>multiplied</i> by nearby WMAZ futures MTM <i>multiplied</i> by Prime less 2.25%) <i>divided</i> by 365 days
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand per ton. Confirmed by the EFP transaction generated by the exchange upon confirmation of the Can-Do trade. The execution of the Can-Do will trigger an automated allocation of the underlying WMAZ future contracts between the buyer and seller to create an equal and opposite XWMS Can-Do. The report only transactions will be facilitated by the JSE.
Underlying Currency	Rand (ZAR)
Underlying physical commodity	White maize as defined by the contract code WMAZ and represented by the issue of Safex silo receipts
Final Evaluation Date	Expiration date confirmed as 21 November 2013
Valuation Frequency	Daily at 12h00 as per the JSE MTM process for grain products
TERMS & CONDITIONS : CAN- DO XWMS	
Type	Can-Do Future
Buyer	Is the party that is the Long Party to the Can-Do Future
Seller	Is the party that is the Short Party to the Can-Do Future
Initial Futures Price	As agreed by the counter parties, EFP or trade level

PROCEDURE AT EXPIRATION	
Expiration Date and Time	12h00 on the business day prior to last trading day for the WMAZ contract, for avoidance of doubt 21 November 2013
Reference Price including final valuation	The underlying WMAZ Nov13 commodity price as determined on expiration date including the defined adjustments for storage and financing costs. Based on the execution level of an automated EFR transaction in the appropriate underlying WMAZ futures month
Can-Do : Cash Settlement with futures equivalent positions booked in the underlying reference month at expiration date	The XWMS contract will be cash settled at the calculated reference price with an equal and opposite WMAZ Nov13 future position created at the same price level. For avoidance of any doubt, the party that sells back the XWMS Nov13 will buy WMAZ Nov13 future contract and the party that buys back the XWMS Nov13 will sell the WMAZ Nov13 future contracts. The WMAZ Nov13 positions will be captured as a report only trade before 14h30 on the expiration date.
Location Differential and grade discounts	Not applicable

Since the Can-Do is specific between the two counterparties, the original trade is reported into the order book. The contract is visible on the NUTRON front end under Agris Trading, Cando.

If there are any further questions regarding the new product, please feel free to contact Anelisa Matutu on 011 520 7158 or use the group e-mail commodities@jse.co.za .



Chris Sturgess

Designation Director
 Division Commodity Derivatives
 Tel +27 11 520-7299
 Fax +27 11 520-7558
 E-mail address: chriss@jse.co.za

Distributed by the Company Secretariat +27 11 520 7346