

SERVICE HOTLINE

REFERENCE NUMBER: 110/2018

19 June 2018

REMINDER OF EQUITY DERIVATIVES FUTURE-CLOSE OUT (FCO) PROCESSES

Given the operational administration brought upon by the FCO and the efficiencies required on derivatives close out process, the JSE kindly reminds the members of the following FCO processes and guidelines:

1. The JSE will not be listing new Equity Derivatives products on the FCO day. Addition of new expiration dates on existing contracts will be allowed but we strongly recommend their listing to be prior or post the FCO date.
2. Members are reminded of their ability to use system functionality to automatically zero fee their trades, and the zero fee guidelines are detailed below:

Using the systems zero-fee functionality ensure that the administrative burden to the JSE is reduced and as a result, the cost to members.

Members have the ability to roll trades using several functionalities provided for on Nutron as listed below:

A. Central Order book roll trades

Roll overs can be done through the spread window on the central order book.

- If the holder has a long position: In order to sell the near leg and buy the far leg, you would need to place the order on the Bid of the spread window.
- If the holder has a short position: In order to buy the near leg and sell the far leg, you would need to place the order on the Offer of the spread window

	Buy the Spread	Sell the Spread
Bid	Far leg	Near leg
Offer	Near leg	Far leg

Market/s:

JSE Equity Derivatives Market

Environment(s):

Production

Additional Information:

If you have any queries about this announcement, please contact the Client Services Centre (CSC) on +27 11 520 7777 or e-mail Customersupport@jse.co.za

Issued By:

Trading and Market Services

B. Roll Forward

Used by clients/members where they have an existing position and want to roll their position forward with another member or client:

- I. Open the View Consolidated Members Position file, highlight the position that you want to roll forward and click on the “Roll forward” button.

Member	Prin	Contract	Open	Buy	Sell	Curr
SAFM	SAFM	21 SEP17 A	-8	12	10	-6
SAFM	SAFM	21 DEC17 A	-5	0	0	-5
SAFM	SAFM	15 MAR18 A	-1	0	0	-1
SAFM	SAFM	21 JUN18 A	3	0	0	3
SAFM	SAFM	21 SEP17 A	-20	0	0	-20
SAFM	RNR581	21 SEP17 A	-5	0	2	-7
SAFM	RNR581	21 SEP17 A	20	0	0	20

- II. Complete the Roll Forward Position screen. Certain fields will be pre-populated with the correct information i.e. Quantity and Expiry.

Member	Prin	Contract	Open	Buy	Sell	Curr
SAFM	SAFM	21 SEP17 A	-8	12	10	-6
SAFM	SAFM	21 DEC17 A	-5	0	0	-5
SAFM	SAFM	15 MAR18 A	-1	0	0	-1
SAFM	SAFM	21 JUN18 A	3	0	0	3
SAFM	SAFM	21 SEP17 A	-20	0	0	-20
SAFM	RNR581	21 SEP17 A	-5	0	2	-7
SAFM	RNR581	21 SEP17 A	20	0	0	20

Roll Forward Position

Close out Price:

Forward Price:

Quantity:

Counter Party:

Expiry:

C. To roll forward an existing position on a sub-account

- I. Open the View Con Position file, highlight the position that you want to roll forward, and click on the “Roll forward” button.

Member	Prin	Master Client	Contract	Open	Buy	Sell	Curr
SAFM	SAFM		21 SEP17 ALSI	-10	10	10	-10
SAFM	SAFM		21 DEC17 ALSI	-5	0	0	-5
SAFM	SAFM		15 MAR18 ALSI	-1	0	0	-1
SAFM	SAFM		21 JUN18 ALSI	3	0	0	3
SAFM	SAFM		21 SEP17 ALSI45500 C	-20	0	0	-20
SAFM	RNR581	RNR581	21 SEP17 ALSI	-5	0	0	-5
SAFM	RNR581	RNR581	21 SEP17 ALSI45500 C	20	0	0	20
SAFM	99999	SAFM	21 SEP17 ALSI	2	0	0	2

- II. Complete the Roll Forward Position screen. Certain fields will be pre-populated with the correct information i.e. Quantity and Expiry.

Member	Prin	Master Client	Contract	Open	Buy	Sell	Curr
SAFM	SAFM		21 SEP17 ALSI	-10	10	10	-10
SAFM	SAFM		21 DEC17 ALSI	-5	0	0	-5
SAFM	SAFM		15 MAR18 ALSI	-1	0	0	-1
SAFM	SAFM		21 JUN18 ALSI	3	0	0	3
SAFM	SAFM		21 SEP17 ALSI45500 C	-20	0	0	-20
SAFM	RNR581	RNR581	21 SEP17 ALSI	-5	0	0	-5
SAFM	RNR581	RNR581	21 SEP17 ALSI45500 C	20	0	0	20
SAFM	99999	SAFM	21 SEP17 ALSI	2	0	0	2

Roll Forward Position	
Close out Price	1.0000
Forward Price	1.0000
Quantity	2
Counter Party	ABL3
Expiry	21 DEC17 ALSI
<input type="button" value="OK"/> <input type="button" value="Cancel"/>	

D. Bulk Roll Over Upload functionality:

- I. Complete the Derivatives Bulk Roll Over Upload spreadsheet with the relevant roll over details.
- II. Once the spreadsheet is completed, save in a desired location.
- III. Open the Derivatives View Con Positions screen.
- IV. Click on Roll Over Upload.

Member	Principal	Dealer	CounterParty	BuySell	Qty	SubAcc	Capacity	ReferenceOne	Additional Reference	ContractOne	PriceOne	ReferenceTwo	Additional Ref
ABLM	ABLM	API	SOCM	Buy	10	SUB01	P	REF1	AREF1	19 DEC13 AL	31936	REF2	AREF2
ABLM	ABLM	API	SOCM	Buy	11	SUB03	P	REF3	AREF3	19 DEC13 D	6045	REF4	AREF4

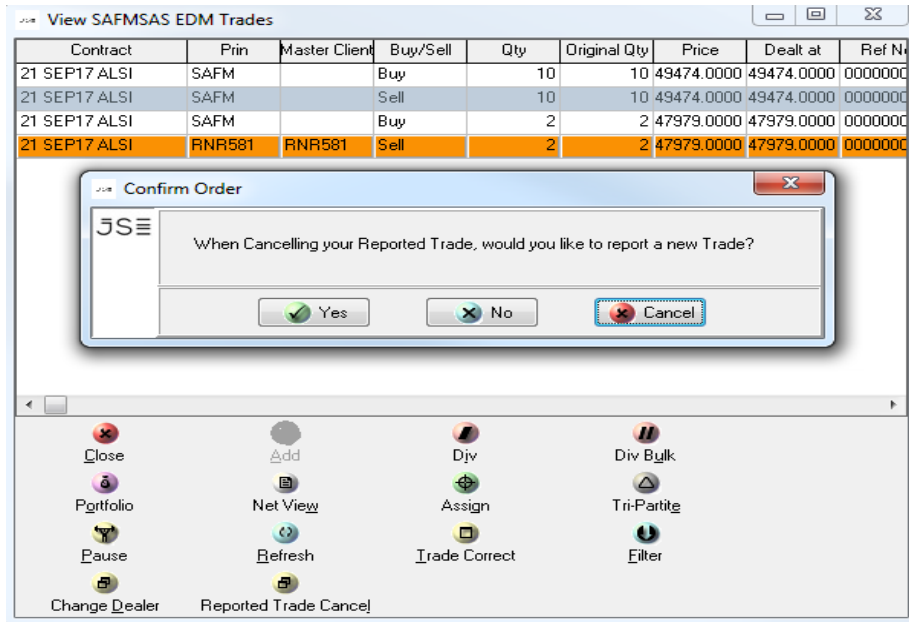
- V. Select Change XLS.
- VI. Find and select the Bulk Roll over spreadsheet which you have already completed and saved
- VII. Once the entries have been checked and are correct, click on Submit.
- VIII. The trades file will update in the Derivatives trades view, and all near legs will automatically be zero rated.

Please note that should you have the “Must confirm Report only Member/Client trades” ticked under user configuration. This will ensure that the trades filter through to the unmatched file and will need to be accepted. If this is not the case, and the trades are between you and your client, the trades will automatically be matched and filtered through to the trades file.

Trade Cancellation & Correction - EDM Reported Trades

Members have the ability to Cancel and correct all Reported Trades including JSE CFDs that have erroneously been reported on the Nutron front end. This process is done by using the Reported Trade Cancel functionality which creates an equal and opposite Trade that will offset the original Trade. This Functionality can only be used on the day the trades are booked.

This functionality is available on the EDM view trades window:



The process is as follows:

- I. The Original Reported Trade legs will be cancelled by creating an equal-and-opposite Reported Trade.
- II. The unmatched equal-and-opposite Reported Trade leg will be created and displayed on the 'View EDM Unmatched Trades' window.
- III. The Counterparty must accept the unmatched equal-and-opposite Reported Trade Leg on the 'View EDM Unmatched Trades' window, if it is a Member to Member Reported Trade.
- IV. The equal-and-opposite Trade legs will be created and displayed on the 'View EDM Trades' window once the Counterparty has accepted the unmatched equal-and-opposite Trade leg.
- V. Zero fees will be applied automatically to the trades.

As a result of the availability of the aforementioned system functionality, a zero fee request will only be considered if the member can provide good reasons as to why they could not or did not use the functionality provided. Members are therefore encouraged to refer to service hotline notice [19/2016](#) and [07/2017](#) for a guideline on scenarios that will be considered for zero fees by the JSE.