

## MARKET NOTICE

**Number:** 107/2016  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 25 February 2016

**SUBJECT:** INTRODUCING A MARCH 2016 WHEAT COMMODITY CAN-DO

**Name and Surname:** Chris Sturgess  
**Designation:** Director - Commodities & Key Client Management

The March 2016 Wheat Commodity Can-Do future contracts will be listed for trading on 29 February 2016. Insofar as any contractual provision set out below is inconsistent with the rules and regulations (“Rules”) of the JSE Limited (“JSE”), the Rules will prevail unless the JSE expressly permits the Parties to give effect to their contractual provision.

### Contract Specifications – Bread Milling Wheat Commodity Can-Do XWHT

GENERAL TERMS	
<b>Description</b>	MAR16 WHEAT COMMODITY CAN-DO
<b>Can-Do Name</b>	Can-Do XWHT
<b>Can-Do-Code</b>	XWHT
<b>Contract Size (Multiplier)</b>	1 contract = 50 tons for the avoidance of doubt, this means that each contract will reference a price per ton multiplied by 50
<b>Quotations</b>	Price per ton in Rand
<b>Minimum Price Movement</b>	R0.20 per ton
<b>JSE Fees</b>	R14.00 per contract (INCL VAT) (28 cents per ton)
<b>Initial Margin</b>	R11,600.00

<b>Series spread margin</b>	As per WEAT spread margin
<b>Position Limits</b>	Not applicable
<b>Trade Date</b>	The date the Can-Do position is first entered into by the clients and captured by the JSE
<b>Business Day</b>	Any day on which banks are open for a normal trading day in Johannesburg and grain prices are published by the JSE.
<b>Underlying</b>	
<b>Underlying Future</b>	WEAT futures contract meeting all specifications as listed and traded on the Commodity Derivatives Market of the JSE
<b>Daily MTM adjustments</b>	Tracking the nearby WEAT listed expiry month and deducting: <ul style="list-style-type: none"> <li>• JSE standard WEAT storage at R0.80 cents per ton per day</li> <li>• Financing cost calculated as ( # of days from and including 1 March 2016 <i>multiplied</i> by nearby WEAT futures MTM <i>multiplied</i> by Prime less 2.00%) <i>divided</i> by 365 days</li> </ul>
<b>Initial reference level</b>	As agreed by the Long and the Short Party on the trade date in Rand per ton. Confirmed by the EFR 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 WEAT future contracts between the buyer and seller to create an equal and opposite XWHT Can-do. The report only transactions will be facilitated by the JSE.
<b>Underlying Currency</b>	Rand (ZAR)
<b>Underlying physical commodity</b>	Wheat as defined by the contract code WEAT and presented by the issue of JSE silo receipts
<b>Final Evaluation Date</b>	Expiration date confirmed as 18 March 2016
<b>Valuation Frequency</b>	Daily at 12h00 as per the JSE MTM process for grain products
<b>TERMS &amp; CONDITIONS – Can Do XWHT</b>	
<b>Type</b>	Can Do Future
<b>Buyer</b>	Is the party that is the Long Party to the Can Do Future
<b>Seller</b>	Is the party that is the Short Party to the Can- Do Future
<b>Initial Futures Price</b>	As agreed by the counter parties, EFR or trade level
<b>PROCEDURE AT EXPIRATION</b>	

<b>Expiration Date and Time</b>	12h00 on the business day prior to last trading day for the WEAT contract, for avoidance of doubt 18 March 2016
<b>Reference Price including final valuation</b>	The underlying WEAT Mar16 commodity price as determined on expiration date including the defined adjustments for storage and financing costs. The storage and financial cost will be calculated based on the next business day following expiration
<b>Can-Do : Cash Settlement with futures equivalent positions booked in the underlying reference month at expiration date</b>	The XWHT contract will be cash settled at the calculated reference price with an equal and opposite WEAT Mar16 future position created at the same level. For avoidance of any doubt, the party that sells back the XWHT Mar16 will buy WEAT Mar16 future contract and the party that buys back the XWHT Mar16 will sell the WEAT Mar16 future contracts.  The WEAT Mar16 positions will be captured as a report only trade before 14h30 on the expiration date.
<b>Location Differential and grade discounts</b>	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, Can-Do.

Should you have any queries regarding this notice, please contact [commodities@jse.co.za](mailto:commodities@jse.co.za)

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