

MARKET NOTICE

Johannesburg
Stock Exchange

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Number: 202/2015
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 25 March 2015

SUBJECT: INTRODUCING APRIL 2015 QUANTO CORN COMMODITY CAN-DO

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Designation: Director Commodities & Key Client Management

The April 15 White Maize Commodity Can-do future contract will be listed for trading on 26 March 2015. 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 – Quanto Corn Commodity Can-Do XQCN

GENERAL TERMS – FUTURE CONTRACT	
Description	APR 15 QUANTO CORN COMMODITY CAN-DO
Can-Do Name	Can-Do XQCN
Can-Do-Code	XQCN
Contract Size (Multiplier)	1 contract = 5000 multiplier of the reference price per bushel
Reference Contract	Corn (product symbol ZCK5), May 2015 expiry month as traded on CBOT, a subsidiary of the CME Group Inc.
Quotations	Denominated in South African Rand (ZAR) with the contract price referencing the foreign underlying commodity market for the expiry linked delivery period.
Minimum Price Movement	R0.0025 ZAR per contract unit

JSE Fees	R8
Initial Margin	R1,610
Series spread margin	N/A
Position Limits	Not applicable
Trade Date	The date the Can-Do position is first entered into by the clients and captured by 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	<p>A corn futures contract that is cash settled and traded in ZAR, but mimics the performance of the foreign referenced USD price of corn as traded on CBOT (product symbol ZCK5), a subsidiary of the CME Group Inc.</p> <p>Any relative price change in the latter will be matched by the former in ZAR.</p> <p>The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange</p>
Daily MTM	Snapshots of the underlying derivative contract will be taken between 16h55 and 17h00. Based on the random snapshot selected the MTM will be calculated as the middle of the double based on best bid and offer. There will be no foreign exchange rate adjustments
Daily MTM time	16h55 -17h00
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand per bushel. Confirmed by the EFR transaction generated by the exchange upon confirmation of the Can-Do trade. The report only transactions will be facilitated by the JSE.
Underlying Currency	Rand (ZAR)
Last trading date and final valuation date	28 April 2015
Settlement Date	28 April 2015
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can Do XQCN	
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, EFR or trade level
PROCEDURE AT EXPIRATION	
Final valuation and cash settlement	The final settlement price will refer to an average of 15 iterations referencing trades in the underlying derivative contract, taken every 1 minute for a period of 15 minutes ending at 17h00 South African time
GENERAL TERMS – OPTIONS CONTRACT	
Description	APR 15 CORN COMMODITY CAN-DO OPTION
Can-Do Name	Can-Do XQCN
Can-Do-Code	XQCN
Option Style	American Style
Contract Size (Multiplier)	1 contract = 5000 multiplier of the reference price per bushel
Reference Contract	Corn (product symbol OZCK5), May 2015 expiry month as traded on CBOT, a subsidiary of the CME Group Inc.
Quotations	Denominated in South African Rand (ZAR) with the contract price referencing the foreign underlying commodity market for the expiry linked delivery period.
JSE Fees	R8
Series spread margin	N/A
Position Limits	Not applicable
Trade Date	The date the Can-Do position is first entered into by the clients and captured by 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	APR 15 CORN COMMODITY CAN-DO
Volatility calculation	Snapshots of the foreign referenced USD price of the corn option strike as traded on CBOT (product symbol OZCK5), a subsidiary of the CME Group Inc. will be taken between 16h55 and 17h00. Based on the random snapshot selected the volatility will be calculated as the last traded volatility.
Daily MTM time	16h55 -17h00

Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand per bushel. Confirmed by the EFR transaction generated by the exchange upon confirmation of the Can-Do trade. The report only transactions will be facilitated by the JSE.
Underlying Currency	Rand (ZAR)
Last trading date and final valuation date	24 April 2015
Settlement Date	24 April 2015
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can Do XQCN	
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, EFR or trade level
PROCEDURE AT EXPIRATION	
Exercise	Long position holders may exercise/abandon their options during market hours at any time up to and including 15 minutes prior to the expiration date; provided that all in-the-money options shall be automatically exercised by the exchange at expiration
Expiration Price (for automatic exercise)	Mark-to-market price of the Can-Do XQCN future on expiration date

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.

Should you have any queries regarding this notice, please contact commodities@jse.co.za

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notice-and-circulars>