
MARKET NOTICEJohannesburg
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Number: 394/2015
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 24 June 2015

SUBJECT: TRIAL NOTIFICATION SYSTEM FOR THE OPTION VOLATILITY MTM PROCESS

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The JSE wishes to inform members of a trial notification system being introduced in the Commodity Derivatives Market. The notification seeks to improve transparency and reduce some of the uncertainty during the option volatility Mark-to-Market (MTM) process.

From **1 July 2015 until 31 July 2015**, the JSE Valuations Team will publish an option volatility notification between 11:45 and 11:50 SAST by way of the JSE's Nutron front-end.

The JSE will publish this indicative notice of volatility bids and offers referencing delta option quotes that are eligible for consideration for the option volatility MTM based on the following criteria:

- Minimum of 40 contracts at the same volatility and strike
- Orders on-screen throughout the period of 11:30 to 11:45 SAST

It is important to note that it serves as an indicative notice only and is by no means a final list of volatility changes. Final volatility adjustments for the day will be finalised after the grains market has closed at 12:00 SAST once all remaining rules are applied.

Below is a sample of the notification:

Orders meeting the qty/time criteria:

24 Jun15 WMAZ 3000	B	50 @ 30%
24 Nov15 WMAZ 3100	B	70 @ 24%

The JSE will implement this notification for the month of July on a trial basis. During this time members are invited to send any feedback via email to valuations@jse.co.za, if you prefer to discuss this proposal in person feel free to contact Fatima Laher on 011 5207595 from the valuations team. The JSE will then consider all feedback in order to decide the way forward. Thank you for your support in this regard.

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