

**MARKET NOTICE**

Johannesburg  
Stock Exchange

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[www.jse.co.za](http://www.jse.co.za)

**Number:** 680/2015  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 05 November 2015

**SUBJECT:** INTRODUCTION TO PALLADIUM COMMODITY CAN-DO CONTRACT

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

The Palladium Commodity Can-do future contracts will be listed for trading on 06 November 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 – December Palladium future and options contract Can-Do XPLD

GENERAL TERMS – FUTURE CONTRACT	
<b>Description</b>	DEC15 PALLADIUM COMMODITY CAN-DO
<b>Can-Do Name</b>	Can-Do XPLD
<b>Can-Do-Code</b>	XPLD
<b>Contract Size (Multiplier)</b>	1 contract = 10 troy ounces
<b>Reference Contract</b>	Palladium (product symbol PAH6), March 2016 expiry month as traded on NYMEX, a subsidiary of the CME Group Inc.
<b>Quotations</b>	Denominated in South African Rand (ZAR)

<b>Minimum Price Movement</b>	R1.00 ZAR per contract unit
<b>JSE Fees</b>	R15
<b>Initial Margin</b>	R11,190
<b>Series spread margin</b>	N/A
<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 prices are published by the JSE.
<b>Underlying</b>	
<b>Underlying Future</b>	A palladium futures contract meeting all specifications as listed and traded on NYMEX, a subsidiary of the CME Group Inc. The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange.
<b>Daily MTM</b>	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. The middle of the double will be multiplied by the 17h00 ZAR=D3 rate and the final value rounded to the nearest rand
<b>Daily MTM time</b>	16h55 -17h00
<b>Initial reference level</b>	As agreed by the Long and the Short Party on the trade date in Rand per troy ounce. 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.
<b>Underlying Currency</b>	Rand (ZAR)
<b>Last trading date and final valuation date</b>	11 December 2015
<b>Settlement Date</b>	11 December 2015
<b>Valuation Frequency</b>	Daily between 16h55 and 17h00
<b>TERMS &amp; CONDITIONS – Can Do XQCN</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>Final valuation and cash settlement</b>	The final settlement price for cash settlement of the contract will require two components, a CME Group settlement value and a Rand Dollar exchange rate. The CME Group settlement value 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 10h00 New York time (SA Summer: 16h46 – 17h00 and SA Winter: 15h46 – 16h00). The Dollar Rand exchange rate required to determine the final settlement price in South African Rands will be the same rate as calculated for the applicable currency futures contract, namely: a 5 minute process with iterations recorded every 30 seconds where the last spot trade within the 30 second interval will be recorded and then averaged over the 5 minute period. The close out process will run from 09h55 to 10h00 New York time. The two variables are calculated to 4 decimals and rounded off to 2 decimals for the final Rand settlement value
<b>GENERAL TERMS – OPTIONS CONTRACT</b>	
<b>Description</b>	DEC15 PALLADIUM COMMODITY CAN-DO OPTION
<b>Can-Do Name</b>	Can-Do XPLD
<b>Can-Do-Code</b>	XPLD
<b>Option Style</b>	American Style
<b>Contract Size (Multiplier)</b>	1 contract = 10 troy ounces
<b>Strike price interval</b>	R100.00 per ounce strike price intervals.
<b>Quotations</b>	Denominated in South African Rand (ZAR)
<b>JSE Fees</b>	R12
<b>Series spread margin</b>	N/A
<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 prices are published by the JSE.
<b>Underlying</b>	
<b>Underlying Future</b>	DEC 15 PALLADIUM COMMODITY CAN-DO
<b>Daily MTM</b>	The JSE will determine the daily m-t-m in accordance with the defined processes.
<b>Daily MTM time</b>	16h45 -17h00
<b>Initial reference level</b>	As agreed by the Long and the Short Party on the trade date in Rand per troy ounce. 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.
<b>Underlying Currency</b>	Rand (ZAR)
<b>Last trading date</b>	11 December 2015
<b>Final settlement date</b>	11 December 2015
<b>Valuation Frequency</b>	Daily between 16h55 and 17h00
<b>TERMS &amp; CONDITIONS – Can Do XQCN</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>Exercise</b>	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
<b>Expiration Price (for automatic exercise)</b>	Mark-to-market price of the Can-Do XPLD future on options final settlement date

Contract Specifications – May Palladium future and options contract Can-Do XPLD

<b>GENERAL TERMS – FUTURE CONTRACT</b>	
<b>Description</b>	MAY 16 PALLADIUM COMMODITY CAN-DO
<b>Can-Do Name</b>	Can-Do XPLD

<b>Can-Do-Code</b>	XPLD
<b>Contract Size (Multiplier)</b>	1 contract = 10 troy ounces
<b>Reference Contract</b>	Palladium (product symbol PAM6), May 2016 expiry month as traded on NYMEX, a subsidiary of the CME Group Inc.
<b>Quotations</b>	Denominated in South African Rand (ZAR)
<b>Minimum Price Movement</b>	R1.00 ZAR per contract unit
<b>JSE Fees</b>	R15
<b>Initial Margin</b>	R11,190
<b>Series spread margin</b>	N/A
<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 prices are published by the JSE.
<b>Underlying</b>	
<b>Underlying Future</b>	A palladium futures contract meeting all specifications as listed and traded on NYMEX, a subsidiary of the CME Group Inc. The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange.
<b>Daily MTM</b>	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. The middle of the double will be multiplied by the 17h00 ZAR=D3 rate and the final value rounded to the nearest rand
<b>Daily MTM time</b>	16h55 -17h00
<b>Initial reference level</b>	As agreed by the Long and the Short Party on the trade date in Rand per troy ounce. 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.
<b>Underlying Currency</b>	Rand (ZAR)
<b>Last trading date and final</b>	16 May 2016

<b>valuation date</b>	
<b>Settlement Date</b>	16 May 2016
<b>Valuation Frequency</b>	Daily between 16h55 and 17h00
<b>TERMS &amp; CONDITIONS – Can Do XQCN</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>Final valuation and cash settlement</b>	The final settlement price for cash settlement of the contract will require two components, a CME Group settlement value and a Rand Dollar exchange rate. The CME Group settlement value 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 10h00 New York time (SA Summer: 16h46 – 17h00 and SA Winter: 15h46 – 16h00). The Dollar Rand exchange rate required to determine the final settlement price in South African Rands will be the same rate as calculated for the applicable currency futures contract, namely: a 5 minute process with iterations recorded every 30 seconds where the last spot trade within the 30 second interval will be recorded and then averaged over the 5 minute period. The close out process will run from 09h55 to 10h00 New York time. The two variables are calculated to 4 decimals and rounded off to 2 decimals for the final Rand settlement value
<b>GENERAL TERMS – OPTIONS CONTRACT</b>	
<b>Description</b>	MAY16 PALLADIUM COMMODITY CAN-DO OPTION
<b>Can-Do Name</b>	Can-Do XPLD
<b>Can-Do-Code</b>	XPLD
<b>Option Style</b>	American Style
<b>Contract Size (Multiplier)</b>	1 contract = 10 troy ounces
<b>Strike price interval</b>	R100.00 per ounce strike price intervals.

<b>Quotations</b>	Denominated in South African Rand (ZAR)
<b>JSE Fees</b>	R12
<b>Series spread margin</b>	N/A
<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 prices are published by the JSE.
<b>Underlying</b>	
<b>Underlying Future</b>	MAY 16 PALLADIUM COMMODITY CAN-DO
<b>Daily MTM</b>	The JSE will determine the daily m-t-m in accordance with the defined processes.
<b>Daily MTM time</b>	16h45 -17h00
<b>Initial reference level</b>	As agreed by the Long and the Short Party on the trade date in Rand per troy ounce. 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.
<b>Underlying Currency</b>	Rand (ZAR)
<b>Last trading date</b>	16 May 2015
<b>Final settlement date</b>	16 May 2015
<b>Valuation Frequency</b>	Daily between 16h55 and 17h00
<b>TERMS &amp; CONDITIONS – Can Do XQCN</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>Exercise</b>	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
<b>Expiration Price (for automatic exercise)</b>	Mark-to-market price of the Can-Do XPLD future on options final settlement 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](mailto:commodities@jse.co.za)

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