

**CONTRACT NOTICE**

**Number:** 258/2018

Relates to:  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives

**DATE** 24 June 2018

**SUBJECT:** New Contracts Loaded due to Old Mutual PLC Corporate Action – Unbundling 25 June 2018

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**Designation:** Head - Derivatives Operations

The following new contracts have been added to the list with immediate effect.

Contract Code	Instrument Description	Expiry Date	Initial Margin	Group Margin	VSR	CSMR	Nominal
OMAQ	Old Mutual plc (OML) / Quilter plc (QLT) Basket	20 Sep 2018	580	55	4	55	100
OMAS	Old Mutual plc (OML) / Quilter plc (QLT) Basket Cash Settled	20 Sep 2018	580	55	4	55	100
OMAF	Old Mutual plc (OML) / Quilter plc (QLT) Basket Dividend Future	20 Sep 2018	0	0	1	0	100
OMAQ	Old Mutual plc (OML) / Quilter plc (QLT) Basket	20 Dec 2018	590	55	4	55	100
OMAS	Old Mutual plc (OML) / Quilter plc (QLT) Basket Cash Settled	20 Dec 2018	590	55	4	55	100
OMAF	Old Mutual plc (OML) / Quilter plc (QLT) Basket Dividend Future	20 Dec 2018	0	0	1	0	100
OMAQ	Old Mutual plc (OML) / Quilter plc (QLT) Basket	20 Mar 2019	618	55	4	55	100
OMAS	Old Mutual plc (OML) / Quilter plc (QLT) Basket Cash Settled	20 Mar 2019	618	55	4	55	100
OMAF	Old Mutual plc (OML) /	20 Mar 2019	0	0	1	0	100

	Quilter plc (QLT) Basket Dividend Future						
OMUC	Old Mutual Limited (OMU) ECFD	20 Mar 2019	2	6	4	1	1
QLTC	Quilter plc (QLT) ECFD	20 Mar 2019	4	0	4	2	1

Please note that the **Minimum Price Movement** for the above contracts is 0.01.

The **Lot Size** for the above contracts is 1.

Please note the above contracts were added in lieu of the corporate action **Old Mutual PLC Corporate Action – Unbundling**.

### Derivatives Corporate Action Processing Details

#### 1. Futures positions.

- The JSE will list a new contract i.e. Old Mutual plc (OML) / Quilter plc (QLT) basket (OMAQ).
- One of the constituents of the OMAQ basket, Old Mutual plc (OML) will be replaced with Old Mutual Limited (OMU) effective 26<sup>th</sup> June 2018.
- Positions in OMLQ as held on close of business on Friday, 22<sup>nd</sup> June 2018 (**LDT**) will be closed out at a value of zero and new positions will be created in the new contract at a value of zero.
- **NB.** The baskets will be available for trading from Monday 25<sup>th</sup> June 2018

**E.g.** If you had 10 futures contracts in the OMLQ contract, the JSE will close out this position at a value of zero and open a new position of 10 futures contracts in the new contract (OMAQ).

- The new OMAQ future will comprise of a basket of OML and QLT shares in the following ratio: -

$$\underline{1 \text{ New OMAQ Future} = (1 \text{ OML shares} + 1/3 \text{ QLT shares}) \times \text{Nominal (100)}}$$

- The MTM price of the new OMAQ basket will be determined by calculating the fair value of: -

$$\underline{\text{A notional basket containing 1 OML share} + 1/3 \text{ QLT share.}}$$

- At expiry date the future will be physically settled according to the following ratio: -

$$\underline{1 \text{ New OMAQ Future} = (1 \text{ OMU shares} + 1/3 \text{ QLT shares}) \times \text{Nominal (100)}}$$

- The final settlement price of the OMAQ basket at expiry will be determined as follows: -

$$\underline{(1 * \text{OMU share price}) + (1/3 * \text{QLT share price}).}$$

- **NB.** One of the constituents of the OMAQ basket, Old Mutual plc (OML) will be replaced with Old Mutual Limited (OMU) effective 26<sup>th</sup> June 2018.



## 2. Option positions.

- The JSE will make the same adjustments to option positions as made to futures positions above.
- Strike prices will remain unaffected.

## 3. ECFD Contracts

- For every 1 Old Mutual plc (OML) (OMLC) you will receive 1 Old Mutual Limited (OMUC) ECFD.
- For every 3 Old Mutual plc (OML) (OMLC) you will receive 1 Quilter plc (QLTC) ECFD

**NB.** The Quilter plc (QLTC) ECFD will be available for trading from Monday 25<sup>th</sup> June 2018. The Old Mutual Limited (OMUC) ECFD will be available for trading from Tuesday 26<sup>th</sup> June 2018.

Should you have any queries please contact [Clearops@jse.co.za](mailto:Clearops@jse.co.za) or +27 11 520-7349.

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

