

MARKET NOTICE

Johannesburg
Stock Exchange

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Number: 285/2018
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 16 July 2018

SUBJECT: LISTING CURRENCY CAN-DO STRUCTURED CONTRACT OPTION (CC01) ON USD/ZAR

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Designation: Head - Interest Rate and Currency Derivatives

The following instrument has been added to the list with immediate effect and will be available for trading as from today. 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 provisions

Summary Contract Specifications:

GENERAL TERMS	
Structure Description	Vanilla Call and Knock-In Barrier Option (barrier monitored continuously during the Knock-In Determination Period)
Can-Do Name	Can-Do (CC01)
Can-Do Code	CC01
Underlying Instrument	Currency Future USD/ZAR
Contract Size (Price Multiplier)	USD 1
Minimum Price Movement	0.0001 (ZAR 0.1000)
Currency Pair	USD/ZAR
Contract Exposure	1,000 Units of foreign currency

Quotations	When determining the exchange rate for the Currency Pair, the amount of ZAR per one USD (rounded to four decimals) shall be determined
Settlement	The option contracts related to the Currency Future Can-do Contract, if exercised, will settle by means of Cash Settlement, the Option Cash Settlement Amount to be paid in ZAR
Mark-to-Market	Explicit Daily The forward value of the arithmetic average of the traded underlying observed for a 5 minute period between 15:55 and 16:00 Johannesburg time.
Exchange Fees	Currency Can-Do Options: JSE Price List
Initial Margin	ZAR 530 (as determined by the JSE on a monthly basis)
Class Spread Margin	ZAR 265
V.S.R.	4
Trade Date	The date the Currency Future Can-do Contract is concluded
Business Day	Any day on which banks are open for business in Johannesburg and currency prices are published by the JSE.
Option Style	Style of the option contracts related to the Currency Future Can-do Contract: European, meaning that the rights granted under the option contracts related to the Currency Future Can-do Contract are exercisable on the date and at the time mentioned in Expiration and Valuation Date. Style of the Knock-In Event: American, meaning that whether or not a Knock-In Event has occurred will be determined during the Knock-In Determination Period.
TERMS & CONDITIONS	
Option 1	
Type	Vanilla Call
Buyer	Is the party that is the Long Party to the Can-Do option
Seller	Is the party that is the Short Party to the Can-Do option
Strike Price	ZAR 13.3000 / USD 1.00
Option 2	

Option Type	Up-and-In USD/Rand US Dollar Call Option, being a call option contract (barrier monitored continuously)
Buyer	The party that is the Short Party to the Currency Future Can-do Contract
Seller	The party that is the Long Party to the Currency Future Can-do Contract
Strike Price	ZAR 14.0000 /USD 1.00
Knock-In Price	ZAR 15.1000/USD 1.00
Knock-In Event	<p>A Knock-In Event will only be deemed to have occurred in the event the JSE in accordance with its discretion determines that a foreign exchange transaction has occurred at any Knock-In Valuation Time during the Knock-In Determination Period for the purchase of a minimum notional amount of USD1Million against the payment of ZAR at a currency exchange rate for the Currency Pair (as published by the Exchange) equal to or Higher than the Knock-In Price.</p> <p>If a Knock-In Event does not occurs, the Currency Future Can-do Contract will terminate all related option contracts will be closed out on the JSE at zero value and initial margin will be returned to the Buyer and the Seller.</p>
Knock-In Determination Period	The period from (and including) the Trade Date to (and including) the Expiration and Valuation Date.
Knock-In Valuation Time	Any time from 05:00 (5:00 a.m. local time) on a Monday in Sydney, Australia to 17:00 (5:00 p.m. local time) on a Friday in New York, United States of America, as such may exist during the Knock-In Determination Period.
PROCEDURE FOR EXERCISE	
Expiration and Valuation Date	<p>15 October 2018 10:00 a.m. New York time (i.e. 16:00 (4:00 p.m.) Johannesburg time), being the date and time of expiration of the option contracts related to the Currency Future Can-do Contract</p>
Reference Price	The closing currency exchange rate for the Currency Pair observed by the JSE on the Expiration and Valuation Date based off Reuters ZAR=D3.
Automatic Exercise	Applicable, meaning that if the Reference Price is equal to or in excess of the Strike Price at the Expiration and Valuation Date, the related option contracts will be deemed automatically exercised
Cash Settlement	Applicable. If the Strike Price Differential is greater than zero, the Short Party shall pay the Long Party the Option Cash Settlement Amount for

	the number of option contracts held at the Expiration and Valuation Date.
Option Cash Settlement Amount	An amount equal to the number of option contracts exercised on the Expiration and Valuation Date multiplied by the Strike Price Differential, multiplied by the Multiplier multiplied.
Strike Price Differential	<p>For Option 1: An amount equal to the greater of: a) (Reference Price minus the Strike Price); and b) Zero.</p> <p>For Option 2: An amount equal to the greater of: a) (Reference Price minus the Strike Price) ; and b) Zero.</p>

***Please note that due to do the nature of this Can-Do structure, the value cannot be negative.**

Exchange Fees - Currency Can-Do Option Trading Fees available on this this link [JSE Price List](#)

***The above instrument has been designated as “Foreign” by the South African Reserve Bank.**

If you have any queries, please feel free to contact Interest Rate and Currency team at (011) 520 7431

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