

**MARKET NOTICE**

Johannesburg  
Stock Exchange

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

**Number:** 316/2018  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Date:** 6 August 2018

**SUBJECT:** LISTING CURRENCY CAN-DO (CX05) – OUT OF CURRENCY OPTION ON ZAR/JPY

**Name and Surname:** Bernard Claassens

**Designation:** Head - Interest Rate and Currency Derivatives

The following Can-Do Future 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	
<b>Description</b>	Out of Currency Option
<b>Can-Do Name</b>	Can-Do (CX05)
<b>Underlying Instrument</b>	ZAR/JPY
<b>Settlement Currency</b>	ZAR
<b>Minimum Price Movement</b>	Price to four decimal places (i.e. 0.0001)
<b>Contract Size (Multiplier)</b>	R 10 000

<b>Risk Parameters:</b>	
<b>Initial Margin</b>	1280
<b>Class Spread Margin</b>	650
<b>V.S.R</b>	6.5
<b>Series Spread Margin</b>	

TERMS & CONDITIONS – OPTION	
Type	Put
Buyer	Long Party to the Can-Do option
Seller	Short Party to the Can-Do option
Strike Price (ZAR/YEN)	ZAR 1.00/JPY 7.81

EXPIRATION PROCEDURE AND VALUATION	
Expiration Date	6 November 2018
Final Valuation Date	6 November 2018
Expiration and Valuation Time	The expiration calculation will happen as part of the normal end of day process, and will not be published immediately after 10h00 NY time
Reference Price	The inverse of the expiry price for the ZAJY future contract with 6 November 2018 expiry
Expiration Currency Reference (ZAR/JPY)	Arithmetic average of 10 iterations of the Underlying Currency spot price taken every 30 seconds for a period of 5 minutes on the <b>Expiration Date</b> , commencing 09h55am ending at 10h00am New York time.
Daily Valuation	The daily closing price of the contract will be calculated as the product of: <ol style="list-style-type: none"> <li>1. Option premium calculated in YEN, based on ZAR/JPY denominated Strike Price</li> <li>2. Prevailing JPY/ZAR Forward exchange rate</li> <li>3. Contract Multiplier</li> </ol>

PAYOFF ON EXPIRATION DATE	
<b>Automatic Exercise</b>	Applicable. For the avoidance of doubt, the option will be automatically exercised where the Strike Price Differential for that Option is greater than zero.
<b>Cash Settlement</b>	Applicable. If the Strike Price Differential for a given Option is greater than zero, the Short Party shall pay to the Long Party the Cash Settlement Amount for the number of contracts held at the Expiration and Valuation Date.
<b>Cash Settlement Amount</b>	Cash Settled Amount = $10,000 \times \max(\text{Strike Price} - \text{Expiration Currency Reference}, 0) / \text{Expiration Currency Reference}$ , where Expiration Currency Reference denotes the arithmetic average of 10 iterations of the ZARJPY spot price taken every 30 seconds for a period of 5 minutes on the Expiration Date, commencing 09h55am ending at 10h00am New York time.
<b>Strike Price Differential</b>	For any given Option, means an amount equal to the greater of: <ul style="list-style-type: none"> <li>a) Strike Price minus the Reference Price, and</li> <li>b) Zero.</li> </ul> on the Final Valuation Date

**Exchange Fees – Sliding Scale Fee Structure: As per link below**

[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 the IRC Team (+27 11 520 7810) / [irc@jse.co.za](mailto:irc@jse.co.za).

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