

MARKET NOTICE

 Johannesburg
 Stock Exchange

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Number: 317/2020
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 22 June 2020

SUBJECT: INTRODUCING OCTOBER 2020 QUANTO MAXI SOYBEAN CAN-DO CONTRACT

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Designation: Head - Commodities

The October 2020 Quanto Maxi Soybean Can-Do futures contract will be listed for trading on 23 June 2020. 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 – Commodity Can-Do XQBN

GENERAL TERMS – FUTURE CONTRACT	
Description	October QUANTO SOYBEAN COMMODITY CAN-DO
Can-Do Name	Can-Do XQBN
Can-Do-Code	XQBN
Contract Size (Multiplier)	1 contract = 85, 000 multiplier of the reference price per bushel
Reference Contract	Soybean (product symbol SX20), November 2020 expiry month as traded on CBOT, a subsidiary of the CME Group Inc.
Quotations	Denominated in South African Rand (ZAR) with the contract price referencing the foreign underlying commodity market for expiry linked delivery periods.
Minimum Price Movement	R0.0025 ZAR per contract unit
JSE Fees	R40.00 per contract (INCL VAT)
Initial Margin	R39, 100

Series spread margin	R11, 730
Position Limits	Not applicable
Trade Date	The date the Can-Do position is first entered into by the clients and captured by the JSE.
Business Day	Any day on which banks are open for a normal trading day in Johannesburg and prices are published by the JSE.
Underlying	
Underlying Future	A Soybean futures contract meeting all specifications as listed and traded on CBOT, 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.
Daily MTM	Snapshots of 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. There will be no foreign exchange rate adjustments.
Daily MTM time	16h55 -17h00
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand cents per bushel. 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.
Underlying Currency	Rand (ZAR)
Last trading date	23 October 2020
Settlement Date	26 October 2020
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can-Do XQBN	
Type	Can-Do Future
Buyer	Is the party that is the Long Party to the Can-Do Future
Seller	Is the party that is the Short Party to the Can-Do Future
Initial Futures Price	As agreed by the Long and the Short Party on the trade date in Rand cents per bushel. 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.
PROCEDURE AT EXPIRATION	
Final valuation and cash settlement	The final settlement price for cash settlement of the contract will require only CME Group closing price, denominated in ZAR. The CME Group settlement value (MTM) published on the last trading date of the South African contract, for avoidance of doubt 23 October 2020, will be applied as the final cash settlement value on settlement date 26 October 2020. There will be no foreign exchange rate adjustments.

GENERAL TERMS – OPTIONS CONTRACT	
Description	OCTOBER 20 QUANTO SOYBEAN COMMODITY CAN-DO OPTION
Can-Do Name	Can-Do XQBN
Can-Do-Code	XQBN
Option Style	American
Contract Size (Multiplier)	1 contract = 85, 000 multiplier of the reference price per bushel
Strike price interval	R0.1000 per contract unit strike price intervals
Quotations	Denominated in South African Rand (ZAR) with the contract price referencing the foreign underlying commodity for the expiry linked delivery period.
JSE Fees	R20.00 per contract (INCL VAT)
Position Limits	Not applicable
Trade Date	The date the Can-Do position is first entered into by the clients and captured by the JSE.
Business Day	Any day on which banks are open for a normal trading day in Johannesburg and prices are published by the JSE.
Underlying	
Underlying Future	OCT 20 QUANTO SOYBEAN COMMODITY CAN-DO
Daily MTM	Mark-to-Market prices will be calculated from volatility quotes for at-the-money using the Black options pricing model.
VSR	3.5%
Daily MTM time	16h45 - 17h00
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand per bushel. 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.
Underlying Currency	Rand (ZAR)
Last trading date	23 October 2020
Final settlement date	26 October 2020
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can-Do XQBN	
Type	Can-Do Future
Buyer	Is the party that is the Long Party to the Can-Do Future
Seller	Is the party that is the Short Party to the Can-Do Future
Initial Futures Price	As agreed by the counter parties, EFR or trade level

PROCEDURE AT EXPIRATION

Expiration Price (for automatic exercise)

Mark-to-Market price of the underlying future as per CME Group, at-the-money options volatility.

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, Can-Do.

The above instrument has been designated as “foreign” by the South African Reserve Bank

Should you have any queries regarding this notice, please contact commodities@jse.co.za.

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