

MARKET NOTICE

 Johannesburg
 Stock Exchange

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Number: 359/2016
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 1 July 2016

SUBJECT: INTRODUCING OCTOBER QUANTO SOYBEAN SPREAD CAN-DO CONTRACT

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Designation: Director: Commodities & Key Client Management

The October 2016 Quanto Soybean Calendar Spread Can-do futures contract will be listed for trading on 01 July 2016. 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 XQSY

GENERAL TERMS	
Description	QUANTO SOYBEAN CALANDER SPREAD COMMODITY CAN-DO
Can-Do Name	Can-Do XQSY
Can-Do-Code	XQSY
Contract Size (Multiplier)	1 contract = 5,000 multiplier of the reference price per bushel
Reference Contracts	Soybean (products symbol ZSX16 and ZSH17), November 2016 and March 2017 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 the expiry linked delivery periods.
Minimum Price Movement	R0.00005 ZAR per contract unit

JSE Fees	R8.00 per contract (INCL VAT)
Initial Margin	R2300
Series spread margin	N/A
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 grain prices are published by the JSE.
Underlying	
Underlying Futures	<p>Soybean futures contract that is cash settled and traded in ZAR, but mimics the performance of the foreign referenced USD price of soybean as traded on CBOT (product symbol ZSX6 and ZSH17), a subsidiary of the CME Group Inc.</p> <p>For avoidance of any doubt the spread is priced as ZSH17 (March 2017) – ZSX6 (November 16)</p> <p>Any relative price change in the latter will be matched by the former in ZAR.</p> <p>The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange</p>
Daily MTM	The MTM for the calendar spread is calculated as the price differential of the underlying calendar months. The price of the underlying calendar months will be based on the middle of the double calculated from a selected random snapshot of the respective contracts (product symbol ZSX6 and ZSH17) taken between 16h55 and 17h00. 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 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 and final valuation date	27 October 2016
Settlement Date	28 October 2016
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can Do XQSY	
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	
Final valuation and cash settlement	The final settlement price for the calendar spread is calculated as the price differential of the underlying calendar months. The price of the underlying calendar months will refer to an average of 30 iterations referencing trades in the respective contracts, taken every 1 minute for a period of 30 minutes ending 10h30 Chicago time (SA Summer:18h01-18h30 and SA Winter:17h01-17h30)

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.

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