

MARKET NOTICE

Johannesburg
Stock Exchange

Tel: +27 11 520 7000
www.jse.co.za

Number: 385/2018
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 10 October 2018

SUBJECT: INTRODUCING FEBRUARY AND JUNE 2019 QUANTO CORN CAN-DO CONTRACTS

Name and Surname: Raphael Karuaihe
Designation: Head - Commodities

The February and June 2019 Quanto Corn Can-Do futures contracts will be listed for trading on 11 October 2018. 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 XQCN

GENERAL TERMS – FUTURE CONTRACT	
Description	FEBRUARY 19 QUANTO CORN COMMODITY CAN-DO
Can-Do Name	Can-Do XQCN
Can-Do-Code	XQCN
Contract Size (Multiplier)	1 contract = 5000 multiplier of the reference price per bushel
Reference Contract	Corn (product symbol CH19), March 2019 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	R10.08 per contract (INCL VAT)
Initial Margin	R1400
Calendar Spread Margin	R700
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 prices are published by the JSE.
Underlying	
Underlying Future	A Corn 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.
Daily MTM time	16h55 - 17h00
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand per short ton. 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	22 February 2019
Settlement Date	25 February 2019
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can-Do XQCN	
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 22 February 2019, will be applied as the final cash settlement value on settlement date 25 February 2019. There will be no foreign exchange rate adjustments.
GENERAL TERMS – OPTIONS CONTRACT	
Description	FEBRUARY 19 QUANTO CORN COMMODITY CAN-DO OPTION
Can-Do Name	Can-Do XQCN
Can-Do-Code	XQCN
Option Style	American Style
Contract Size (Multiplier)	1 contract = 5, 000 multiplier of the reference price per bushel
Strike price interval	R0.0500 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	R6.06 per contract (INCL VAT)
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 prices are published by the JSE.

Underlying	
Underlying Future	FEBRUARY 19 QUANTO CORN 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 short ton. 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	22 February 2019
Final settlement date	25 February 2019
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can-Do XQCN	
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.

GENERAL TERMS – FUTURE CONTRACT	
Description	JUNE 19 QUANTO CORN COMMODITY CAN-DO
Can-Do Name	Can-Do XQCN
Can-Do-Code	XQCN
Contract Size (Multiplier)	1 contract = 5000 multiplier of the reference price per bushel

Reference Contract	Corn (product symbol CN19), July 2019 expiry month as traded on CBOT, a subsidiary of the CME Group Inc.
Quotations	Denominated in South African Rand (ZAR)
Minimum Price Movement	R0.0025 ZAR per contract unit
JSE Fees	R10.08 per contract (INCL VAT)
Initial Margin	R1400
Calendar Spread Margin	R700
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 prices are published by the JSE.
Underlying	
Underlying Future	A Corn 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.
Daily MTM time	16h55 - 17h00
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand per short ton. 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	21 June 2019
Settlement Date	24 June 2019
Valuation Frequency	Daily between 16h55 and 17h00

TERMS & CONDITIONS – Can-Do XQCN	
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 21 June 2019, will be applied as the final cash settlement value on settlement date 24 June 2019. There will be no foreign exchange rate adjustments.
GENERAL TERMS – OPTIONS CONTRACT	
Description	JUNE 19 QUANTO CORN COMMODITY CAN-DO OPTION
Can-Do Name	Can-Do XQCN
Can-Do-Code	XQCN
Option Style	American Style
Contract Size (Multiplier)	1 contract = 5, 000 multiplier of the reference price per bushel
Strike price interval	R0.0500 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	R6.06 per contract (INCL VAT)
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 prices are published by the JSE.
Underlying	
Underlying Future	JUNE 19 QUANTO CORN 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 short ton. 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	21 June 2019
Final settlement date	24 June 2019
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS – Can-Do XQCN	
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-notices-and-circulars>