

MARKET NOTICE

 Johannesburg
 Stock Exchange

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

Number: 581/2017
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 22 December 2017

SUBJECT: LISTING NEW STRIKE RESETTING PUT SPREAD OPTION (XS16)

Name and Surname: Valdene Reddy
Designation: Head - Equities and Equity 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	
Description	Portfolio of Options (European strike resetting put and European strike resetting call. Strike resets monitored discretely.
Can-Do Name	Can-Do XS16
Can-Do Code	XS16
Contract Size (Multiplier)	10 (for the avoidance of doubt, this means that each option references the Index, multiplied by 10 ZAR)
Minimum Price Movement	One one-hundredth of an Index point (i.e. 0.01)
Quotations	Of the underlying Index, the value to two decimal places
Clearing House Fees	See Can-Do Booking Fee Schedule – Fee Model EXO: https://www.jse.co.za/content/JSE Pricing Items/MPL/2017EquityDerivativesMarketPriceList.pdf
Initial Margin	R 5 170

Class Spread Margin	R 0
V.S.R.	5
Business Day	Any day on which banks are open for a normal trading day in Johannesburg and the Index is published by the JSE.
Option Style	European
Underlying Index	FTSE/JSE Shareholder Weighted Top 40 Index (Bloomberg code: JSHR40 Index)
Final Reset Date	20 December 2018
Initial Index Reference Level	11,744.00
Strike Price Reset Event	Means, in respect of the Index, if, at a Strike Price Reset Valuation Time on a Strike Price Reset Determination Day, the level of the Index (as published by the JSE) is equal to or greater than: <ul style="list-style-type: none"> a) Strike Price Reset Level 1, the Strike Prices of both Options are increased to Strike Price Reset Value 1 For the avoidance of doubt: <ul style="list-style-type: none"> a) the Strike Price can only reset upwards, never downwards; and b) A Strike Price Reset Event can only occur once in respect of any given Strike Price Reset Level.
Strike Price Reset Levels	1. 130% (15,267.20) of the Initial Index Reference Level
Strike Price Reset Values	1. Option 1 – 91% (10,687.04) and Option 2 – 115.50% (13,564.32) of the Initial Index Reference Level respectively
Strike Price Reset Determination Days	Means each scheduled Trading Day from (and including) the Trade Date, to (and including) the Final Reset Date.
Strike Price Valuation Time	The Scheduled Closing Time on the JSE.
TERMS & CONDITIONS – OPTION 1	
Type	European Put
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	90% (10,569.60) of the Initial Index Reference Level

TERMS & CONDITIONS – OPTION 2	
Type	European Call
Buyer	Is the party that is the Short Party to the Can-Do option
Seller	Is the party that is the Long Party to the Can-Do option
Strike Price	114.50%% (13,446.88) of the Initial Index Reference Level
PROCEDURE FOR EXERCISE	
Expiration and Valuation Date	20 December 2018
Expiration and Valuation Time	Standard SAFEX quarterly expiry time (normally 12:15pm on expiry date)
Reference Price	The same method as the one utilised for the expiry of standard index futures and options on standard quarterly SAFEX expiry dates.
Automatic Exercise	Applicable. For the avoidance of doubt, Option 1 and Option 2 will be automatically exercised (either together or separately) where the Strike Price Differential for that Option is greater than zero.
Cash Settlement	Applicable, both for Option 1 and Option 2. 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 Options held at the Expiration and Valuation Date.
Cash Settlement Amount	The number of contracts multiplied by the multiplier multiplied by [{The strike price differential for Option 1 less The strike price differential for Option 2} plus 10,000]
Strike Price Differential for Option 1 (European Put)	Means an amount equal to the greater of: a) the Strike Price minus the Reference Price (after any adjustment due to any strike price reset); and b) zero.
Strike Price Differential for Option 2 (European Call)Differential	Means an amount equal to the greater of: a) the Reference Price minus the Strike Price (after any adjustment due to any strike price reset); and b) zero.

FOR OFFICE USE ONLY	
Can-Do Type	EXO - Exotic Option
Can-Do Underlying Type (Index/Stock/Bask/Other)	Index
Underlying Code	FTSE/JSE Shareholder Weighted Top 40 Index (Bloomberg code: JSHR40 Index)
Non-Linear Flag (Y/N)	Yes
Zero fee OTM Flag (Y/N)	No

*The JSE reserves the right to amend the levels of the Initial Margin, Class Spread Margin and V.S.R.

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

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