



## Market Notice

**Number:** A1428A  
**Date:** 25 May 2011

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### Confirmation of bandwidth and PC Requirements for the JSE Commodity Derivatives Market

Please find below a confirmation of the bandwidth and PC requirements for the Commodity Derivative Market which includes the Global Market instruments. In line with international trends in terms of a move to more automated trading, the increase in algorithmic trading and market makers quoting on the commodities market already triggered an increase in late 2009 in the number of orders processed by the exchange. This resulted in a number of firms upgrading their bandwidth requirements to accommodate for this growth.

More recently there has been an exponential growth in the orders processed on the Equity Derivative and Currency Derivative markets as they focus more trading activity onto the central order book. As the number of messages increased so the required bandwidth and computing power required has increased.

The recommended bandwidth and PC requirements for the **Commodity Derivatives Market and Global Market** are as follows:

- **No change to the current bandwidth** requirements of 64k per user connection per market at this point in time (If the user has both the grains and global trading windows open 128k per user is required). The exchange does expect more market makers to start participating in these markets and this will impact on the recommended bandwidth.
- Quad Core CPU for user workstations recommended with 4 GB of RAM
- Windows 7 now fully supported for the NUTRON front end

**N.B.: the most recent version of the derivatives connectivity document is 2.17 released on 25 May 2011 and is attached to this notice.**

Should order activity further increase, market participants connecting to the NUTRON trading systems may wish to consider the following suggestions:

- Users should configure their front end to only 'listen' for updates on the instruments they are interested in viewing and trading on. Nutron will only send data for contracts that have open windows on your display.
- Users who wish to use any algorithmic or auto-quoting software/functionality would need to cater for sufficient bandwidth.
- Participants should upgrade bandwidth and/or PC requirements as required if any slowness or disconnects from the Exchange are being experienced.

To further illustrate the increase in activity on the commodity derivatives platform since 2008, please review the chart below confirming that the grains market in its three hour trading session is now on average processing 3 orders per second whilst at the market open or during peak periods processes close to 40



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orders per second. The Global Market where the cash settled commodities are available processes similar volumes to the grains as illustrated in Chart 2.

Chart 1:

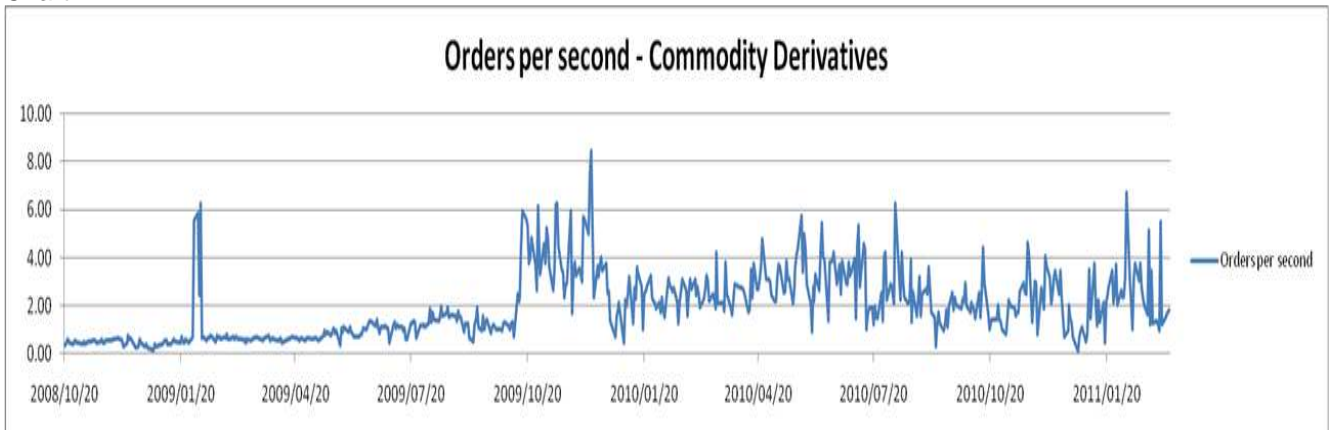


Chart 2:



As a comparison to the Equity and Currency Derivative markets we see these markets on average processing 50 orders per second and so Commodity Members who are also active in these markets need to take note of the increased bandwidth requirements published in separate market notices.

The JSE will continue to monitor the order flow on an ongoing basis and should we see this increasing further this will be communicated to the market.

Even though the recommended bandwidth requirements for the Commodity Derivatives and Global Market have not changed recently, market participants are encouraged to ensure they meet these suggested requirements to avoid any connectivity issues during peak activity times. Please direct any further queries you may have directly to the following group email address: [derivative\\_info@jse.co.za](mailto:derivative_info@jse.co.za)

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