



Market Notice

Number: F4729
Date: 14 April 2011

Equity Derivatives Market Issues – 12 & 13 April 2011

Over the past few days the JSE's Equity Derivatives market has experienced various technical issues. The JSE would like to apologise to all market participants that may have been affected by these unforeseen technical glitches. JSE IT and Software Providers have been working on the problems to ensure that these issues do not reoccur.

This market notice provides feedback with regards to the issues and the measures put in place to resolve them.

Monday, 11 April 2011 – Please refer to market notice F4718

Tuesday, 12 April 2011:

The Equity Derivatives market was halted at 11h25 due to members being unable to add, edit or delete active orders. This problem affected all Equity Derivative Market users and the JSE was left with no other option but to halt the market. The cause of the problem stems from the newly introduced message types 161/160 messages which facilitate high frequency trading. It has been found that a user used this message with an invalid instrument code for the Equity Derivatives Market that caused a block to all subsequent suspend and cancellation messages. The issue was resolved and the market continued trading without any further issues from 12h05.

Mitigating Steps:

- The 160 message has been disabled at an exchange level for all NUTRON front end users until the new instrument validation changes are tested and deployed.

Wednesday, 13 April 2011:

The JSE detected a message queue on 1 of the 6 communication servers members connect to. This resulted in slow responses to users connected to this communication server. The JSE, together with its Software Providers and technical representatives worked throughout the day to try and resolve the problem. Users connected to the problem server were advised of 2 exchange initiated disconnections in an attempt to rectify the problem.



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Mitigating steps:

The JSE identified a configuration item on the load balancing service that could be the cause of the problems experienced by users connected to the communication server. In order to address this, the JSE made configuration changes after End-Of-Day on Wednesday 13 April 2011. Post these changes, no subsequent issues have been experienced. The JSE will continue monitoring all activity across all markets.

As a token of our sincerity in apologising for the inconvenience these issues has caused you, the JSE will be initiating a **"NO FEE DAY" on Thursday, 21 April 2011**. On this day no booking fees will be levied by the JSE on the Equity Derivatives market only. All market participants should be made aware that the Exchange cannot guarantee that your Clearing Member will pass on the same benefit.

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