

Market Notice

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Introduction of Iceberg Orders on NUTRON (Equity Derivatives)

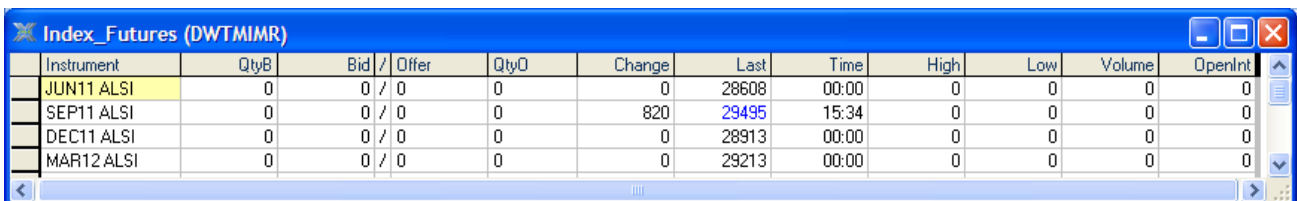
With The JSE's latest initiative and drive towards on-screen trading, the Exchange has had to make various enhancements and upgrades to the Nutron trading platform. Some of these new enhancements include the opening auction on all single stock futures, good-till-date orders and roll-over relief when trading spreads on screen.

After discussion at the Equity Derivative Advisory Committee meeting, held on Wednesday, 23rd March 2011, the Equity Derivatives Trading Division proposes implementing Iceberg Orders for on screen trading on Nutron. This new trading strategy will enable users to enter larger orders with a specific price and size onto the central order book, with only the peak of the order being displayed. Many market participants are currently reluctant to expose their entire order due to the potential adverse impact that may result. The Exchange recognizes that some members are of the opinion that Iceberg orders will bring additional benefits to the market by increasing the probability that larger orders could be filled, on one central order book, at the same price.

The JSE would like to give the broader trading community the opportunity to comment on the proposed implementation of Iceberg Orders on the Equity Derivatives Nutron Trading front-end. Please forward your views to derivativestrading@jse.co.za by Wednesday, 29th June 2011. Based on the feedback received, the Exchange proposes gradually introducing this functionality, with the ALSI and a few Single Stock Futures being the first.

How will the Iceberg order work on the Equity Derivatives Market

On the main trading window, click on "Bid/Offer" to place your order.



Instrument	QtyB	Bid / Offer	QtyO	Change	Last	Time	High	Low	Volume	OpenInt
JUN11 ALSI	0	0 / 0	0	0	28608	00:00	0	0	0	0
SEP11 ALSI	0	0 / 0	0	820	29495	15:34	0	0	0	0
DEC11 ALSI	0	0 / 0	0	0	28913	00:00	0	0	0	0
MAR12 ALSI	0	0 / 0	0	0	29213	00:00	0	0	0	0



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1. In the Qty field type in the Iceberg Peak i.e. the number of contracts which will be placed on the market at a time.
2. Complete the rest of the details i.e. Price, Principal etc.
3. Click on the Ice Berg tab.

The screenshot shows a dialog box titled "Buy for JUN11 ALSI". It contains several input fields and controls:

- Qty: 50
- Price: 28608
- Ref No: corpact47
- Prin: DWTM
- Capacity: P
- Dealer: IMR
- Radio buttons: FOK, TOK, NOR (NOR is selected)
- Ice Berg tab: Ice Berg
- Ice Berg Qty: 1000
- Buttons: OK, Cancel

4. Click on the Ice Berg Qty tab and type in the full Iceberg Order quantity.

This screenshot is identical to the previous one, showing the "Buy for JUN11 ALSI" dialog box with the same settings: Qty 50, Price 28608, Ref No corpact47, Prin DWTM, Capacity P, Dealer IMR, NOR selected, Ice Berg tab selected, and Ice Berg Qty 1000.

5. Click on
6. In this example an Iceberg order of 1000 June11 ALSI contracts at a price of 28608 will be placed in the market in peaks/lots of 50 contracts at a time.

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SEP11 ALSI	0	0	/ 0	0	820	29495	15:34	0	0	0	0
DEC11 ALSI	0	0	/ 0	0	0	28913	00:00	0	0	0	0
MAR12 ALSI	0	0	/ 0	0	0	29213	00:00	0	0	0	0

Please take note of the following:

- Iceberg peaks will be placed in the relevant iceberg peak quantities all at the same specified price. The ability to specify different prices are not supported.
- An Iceberg order will automatically be removed at the end of the trading day by the trading engine.
- Iceberg orders can be cancelled from the Active Orders view in Nutron.
- Editing of an Iceberg order is not supported at this time. An existing Iceberg will need to be cancelled and a new order will need to be captured.

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