

## MARKET NOTICE

Number: F7210  
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Stock Exchange

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[www.jse.co.za](http://www.jse.co.za)

### SUBJECT: IMPORTANT NOTICE TO MEMBERS - FUTURES CLOSE-OUT

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#### Equity Derivative Futures Closeout Settlement Price Calculation Methodology

Participants are reminded that the Futures Closeout (FCO) for the Equity Derivatives Market is taking place on Thursday, 18 September 2014. The Closeout Settlement Price Calculation process is facilitated through a 15 minute auction call session which starts at 12:00 in the underlying Equity Spot market. As part of this process, the settlement price for the individual underlying instruments is determined by the uncrossing trade price. If the instrument does not trade during the FCO auction call session, the reference price will be used. The reference price is either the last AT/UT trade for the current day or the previous close.

#### Equity Derivative Futures Closeout Website

In an effort to provide a value added service to Equity Derivative participants, the JSE has embarked on a project to create transparency and a better experience for its members during FCO through a website where all Market participants can now view the indicative prices during the intraday auction period. This market notice aims to provide the details associated with this website to all market participants:

- URL: [fcoresults.jse.co.za](http://fcoresults.jse.co.za)
- Testing availability dates and times:
  - Tuesday 16 September 2014 Opening (8:45 – 9:00) and Closing Auction (16:50 – 17:00)
  - Wednesday 17 September 2014 Opening (8:45 – 9:00) and Closing Auction (16:50 – 17:00)

- Futures Closeout date availability:
  - Thursday 18 September 2014 Intraday Auction (12:00 – 12:15 → Due to Price Monitoring and Market Order extensions the auction can continue until 12:27)
  - Please note that the site will not be available during 18 September 2014 Opening and Closing auctions but it will be considered for subsequent FCO's
- Official Closeout prices will be published at the following link:
  - [www.jse.co.za/closeout](http://www.jse.co.za/closeout)

**Note:** Even though the website displays the indicative and final prices from the auction, the JSE does not guarantee or warrant the availability, the sequence, accuracy, or completeness or any other aspect of the Data. These prices should not be used as the official closeout prices at this stage. The official closeout prices will still be published by the JSE once verified. This process will remain until accuracy and efficiency of the website is proven.

#### **Automatic exercise of Options**

Please note that on a Futures Closeout day from the time that the official closeout settlement prices are published by the JSE the long holders of options are granted 20 minutes to abandon options that are in the money or to exercise options that are out the money. After this period no abandoning or exercising is permitted, contravention of this rule may result in the reversal of these trades. All options that are 1 cent/point or more in the money will be automatically exercised by the Exchange that evening.