



## MARKET NOTICE

Number: F7300  
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Stock Exchange

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## SUBJECT: JSE FINANCIAL DERIVATIVES PRICE BANDS

Dear JSE Client

During the Financial Derivatives Advisory Committee meeting held on 25 November 2014, committee members suggested that a reminder be sent to the market on the new price bands that were implemented several months ago and the process to follow when requesting these bands to be reviewed or adjusted by the trading team.

The current price band functionality is a parameter within the trading system that can be defined for every instrument. An absolute value is determined or set per instrument and is calculated as a percentage away from the previous day's closing price. This price band will prevent the system from accepting any central order book orders that are priced a certain percentage away from the previous day's closing price.

The price band for the FTSE/JSE Top40 Index (ALSI Index) was changed from 8% to 4% on 10 September 2014. The Single Stock Futures (SSF) and International Derivatives (IDX) still remain at the 8% price band.

As an example, an index with yesterday's closing value of 100 will mean that an absolute value of 4 will be allowed to be entered into the system i.e. for that day, no orders with prices greater than 104 or less than 96 are able to be entered into the central order book. The trading system will automatically reject all the orders entered outside of the band limit. Any reported trades booked at a price outside the band limit will be referred to the applicable clearing member for approval.

Should a member firm require the exchange to change a price band intra-day, this request should be submitted to the Client Services Centre by telephoning 011 520 7777 if urgent, or by email to [customersupport@jse.co.za](mailto:customersupport@jse.co.za).

A price band limit change request will be evaluated by the Trading team against the movement in the underlying and if a revised limit is set, the new limit will apply for the remainder of the trading day and only be reset to its standard limit of 4% or 8% the following trading day.

For further queries, please contact the JSE Client Service Centre.

Kind regards,

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