



Market Notice

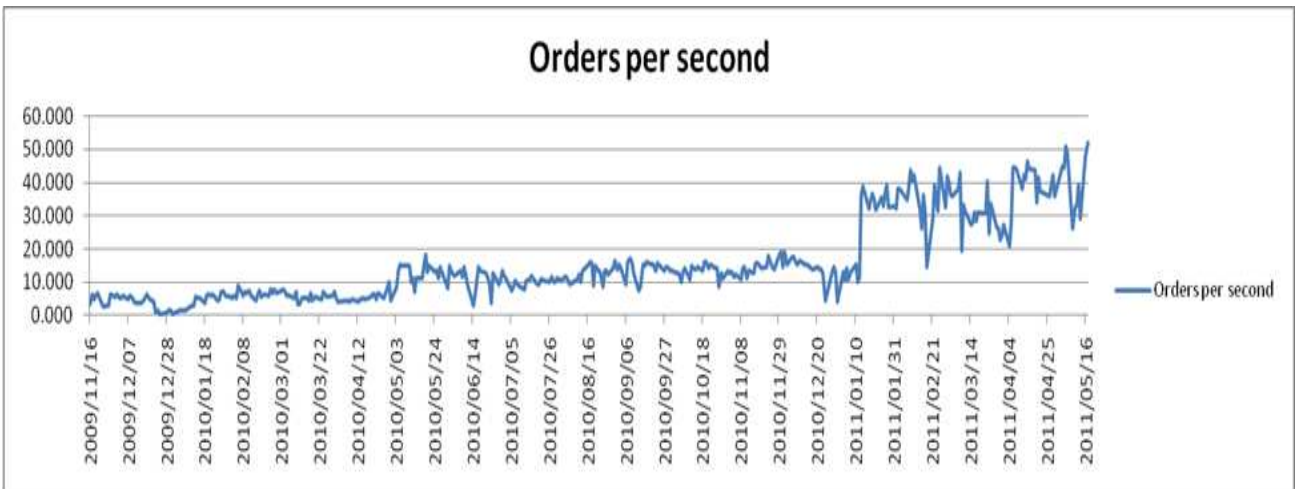
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Revised Bandwidth and PC Requirements for the JSE’s Currency Derivatives Market

With the advent of the JSE’s drive towards on-screen trading for currency derivative products, as embarked upon since June 2010, the market-makers have certainly been very pro-active in making live 2-way prices with very tight spreads. The live pricing has been made available on all of the currency pairs listed at the JSE, as well as on all the relevant expiry months.

As result of the new trading methods being used by the various market participants, there has been a significant increase in activity on the trading platform. This has transpired into phenomenal growth in the amount of orders being received by the Exchange.

The graph below depicts this upsurge since the JSE embarked on its on-screen trading initiative by showing the average amount of orders received on the Currency Derivatives market per day per second. On average, approximately 50 orders per second are now being processed on any given day now.



Despite the market now averaging approximately 50 orders per second on a daily basis, there are times when the Exchange is experiencing peaks of approximately 130 orders per second. These peaks can be attributed to a few factors, namely; increased activity in the underlying market, international markets opening during our afternoon trading session, and when market makers activate their algorithmic trading systems.

As is evidenced from the graph below, the total orders being received at the exchange for currency derivatives is now averaging on 1.5 Million orders per day:



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Market participants connecting to the JSE may begin to experience connectivity problems due to the increase in market orders and market activity. As such, the JSE would like to make a few suggestions/recommendations to the market in order to keep abreast of the latest developments described above:

- Users should configure their front-end to “only listen/subscribe” for updates on the instruments they are interested in viewing and trading on.
- 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 when experiencing any slowness or disconnects from the Exchange.

Due to all the growth taking place on the market, the JSE is proposing updating the minimum requirements in terms of bandwidth, PC specifications and Operating Systems for the **Currency Derivatives Market** as follows:

- Minimum bandwidth of 180k per user connection to the Exchange. This figure could increase further as more market making activity and increased algorithmic trading is expected.
- Quad Core CPU processor with 4 GB of RAM is recommended per each workstation.
- Windows 7 is not a requirement but it is now fully supported for the Nutron front-end.

N.B.: The new version of this document is 2.17 and was released on 25 May 2011 and is attached to this notice.

Although the JSE is making the above suggestions to upgrade, it is not mandatory, however the JSE would like to encourage all users to upgrade to these latest minimum specifications in order to experience uninterrupted and problem-free trading. Please direct any queries you may have to derivative_info@jse.co.za

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