



## Market Notice

**Number:** Y668  
**Date:** 7<sup>th</sup> June 2011

### New Currency Future Can-do Contract (CAAE) – Knock-Out Barrier Option on Dollar/Rand (Up and Out)

The following new Currency Future Can-do Contract (CAAE) has been added with immediate effect and is available for trading today.

Insofar as any contractual provision set out below is inconsistent with the rules and regulations (“Rules”) of the JSE Limited (“JSE”) in respect of Interest Rate and Currency Derivatives Market Rules, the Rules will prevail unless the JSE expressly permits the Parties to give effect to their contractual provisions.

#### Summary Contract Specifications:

<b>GENERAL TERMS</b>	
<b>Description</b>	Knock-Out Barrier Option (barrier monitored continuously)
<b>Can-Do Name</b>	Can-Do CAAE
<b>Can-Do Code</b>	CAAE
<b>Underlying Instrument</b>	Rate of exchange between one United States Dollar (USD) and South African Rand (ZAR)
<b>Contract Size (Multiplier)</b>	USD1,000 nominal
<b>Minimum Price Movement</b>	0.0001 (ZAR0.10)
<b>Quotations</b>	In ZAR per one USD rounded to four decimals
<b>Settlement</b>	Cash settled in ZAR
<b>Mark-to-Market</b>	Explicit Daily The forward value of the arithmetic average of the traded underlying taken for a 5 minute period between 16:55 and 17:00 Johannesburg time.
<b>Exchange Fees</b>	Sliding Scale – See below



JSE Limited Registration Number: 2005/022939/06  
 One Exchange Square, Gwen Lane, Sandown, South Africa.  
 Private Bag X991174, Sandton, 2146, South Africa. Telephone:  
 +27 11 520 7000, Facsimile: +27 11 520 8584, www.jse.co.za

**Executive Directors:** RM Loubser (CEO), NF Newton-King, F Evans (CFO) **Non-Executive Directors:** HJ Borkum (Chairman), AD Botha, ZL Combi, MR Johnston, DM Lawrence, A Mazwai, NS Nematswerani, N Nyembezi-Heita, N Payne  
**Alternate Directors:** JH Burke, LV Parsons

<b>Initial Margin</b>	ZAR 18,00 (as determined by the JSE on a monthly basis)
<b>Class Spread Margin</b>	ZAR 9,00
<b>V.S.R.</b>	2.5
<b>Trade Date</b>	The date the Can-Do option position is first opened on the JSE
<b>Business Day</b>	Any day on which banks are open for a normal trading day in Johannesburg and Currency prices are published by the JSE.
<b>Option Style</b>	European
<b>Initial Reference Level</b>	As agreed by the Long Party and the Short Party on the Trade Date
<b>TERMS &amp; CONDITIONS</b>	
<b>Type</b>	Up-and-Out Dollar/Rand USD Call (barrier monitored continuously)
<b>Buyer</b>	Is the party that is the Long Party to the Can-Do option
<b>Seller</b>	Is the party that is the Short Party to the Can-Do option
<b>Strike Price</b>	ZAR6.8500/USD1.00
<b>Knock-Out Price</b>	ZAR7.7500/USD1.00
<b>Knock-Out Event</b>	<p>Applicable at a minimum of USD3 Million. Means, in respect of the Currency, if at any Knock-Out Valuation Time during a Knock-Out Determination Day, the level of the Currency (as published by the Exchange) is equal to or higher than the Knock-Out Price.</p> <p>If a Knock-Out Event occurs, the Option Transaction will automatically terminate, all option contracts will be closed out on the JSE at zero value and initial margin will be returned to the Buyer and the Seller.</p>
<b>Knock-Out Determination Days</b>	Means each scheduled Trading Day from (and including) the Trade Date to (and including) the Valuation Date.
<b>Knock-Out Valuation Time</b>	Any time during Knock-Out Determination Days when the USD/ZAR currency is open for trading on and monitored on the Reuters D3 system
<b>PROCEDURE FOR EXERCISE</b>	
<b>Expiration and Valuation Date</b>	19 September 2011 10h00 New York time (i.e. 16h00 Johannesburg Time)
<b>Reference Price</b>	The closing Currency level observed on the Valuation and Expiration Date.

<b>Automatic Exercise</b>	Applicable
<b>Cash Settlement</b>	Applicable. If the Strike Price Differential is greater than zero, the Short Party shall pay the Long Party the Option Cash Settlement Amount for the number of Options held at the Expiration and Valuation Date.
<b>Option Cash Settlement Amount</b>	Means an amount equal to the number of Options exercised on the Expiration and Valuation Date multiplied by the Strike Price Differential, multiplied by the Multiplier.
<b>Strike Price Differential</b>	Means an amount equal to the greater of: a) the Reference Price minus the Strike Price; and b) zero.

**Exchange Fees – Sliding Scale Fee Structure:**

<b>Sliding Scale – Number of contracts traded</b>	<b>Future Trading Fee per contract</b>	<b>Option Trading Fee per contract</b>
1 – 999	R1.28	R0.64
1,000 – 4,999	R1.10	R0.55
5,000 – 7,499	R0.91	R0.46
7,500 – 9,999	R0.60	R0.30
10,000 and above	R0.45	R0.23

The fees will be capped at R39,900 per deal to entice bigger contracts.

\*All the above fees include VAT of 14%.

**The Option can be traded on the Currency Future listed.**

If you have any queries, please feel free to contact Warren Geers (+27 11 520 7470) / [warreng@jse.co.za](mailto:warreng@jse.co.za) or Andrea Maisel (+27 11 520 7487) / [andream@jse.co.za](mailto:andream@jse.co.za).

Warren Geers  
GM – Derivatives Trading  
Yield-X  
Tel: +27 11 520 7470  
Fax: +27 11 520 7458  
E-mail Address: [warreng@jse.co.za](mailto:warreng@jse.co.za)

**Distributed by the Company Secretariat +27 11 520 7591**