



Market Notice

Number: Y776

Date: 07 November 2011

New Currency Can-do Contract (CAAV) – Put Option on USD subject to Knock-Out Barrier Option (Down and Out)

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

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

Summary Contract Specifications:

GENERAL TERMS	
Description	Knock-Out Barrier Option (barrier monitored continuously during the Knock-Out Determination Period)
Can-Do Name	Can-Do CAAV
Can-Do Code	CAAV
Underlying Instrument	United States Dollars (USD)
Contract Size (Multiplier)	USD1,000 nominal
Minimum Price Movement	0.0001 (ZAR0.10)
Currency Pair	USD/ZAR
Quotations	When determining the exchange rate for the Currency Pair, the amount of ZAR per 1 (one) USD (rounded to four decimals) shall be determined.
Settlement	The put option contracts related to the Currency Can-do Contract, if exercised, will settle by means of Cash Settlement, the Option Cash Settlement Amount to be paid in ZAR



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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

Mark-to-Market	Explicit Daily: The forward value of the arithmetic average of the Underlying Instrument (such value determined and denominated in ZAR) observed for a 5 minute period between 16:55 and 17:00 Johannesburg time.
Exchange Fees	Sliding Scale – See below
Initial Margin	ZAR60.00 (as determined by the JSE on a monthly basis)
Class Spread Margin	ZAR20.00
V.S.R.	2.5
Trade Date	The date the Currency Can-Do Contract is concluded
Business Day	Any day on which banks are open for business in Johannesburg and currency prices are published by the JSE.
Option Style	European, meaning that the rights granted under the put option contracts related to the Currency Can-do Contract are exercisable on the date and at the time mentioned in Expiration and Valuation Date. For the Knock-Out Event: American, meaning that whether or not a Knock-Out Event has occurred will be determined during the Knock-Out Determination Period.
Initial Reference Level	The currency exchange rate for the Currency Pair as agreed by the Long Party and the Short Party on the Trade Date, being the level of the Currency Pair from which any movement in such currency exchange rate (the minimum of which is the Minimum Price Movement) will be determined
Long Party	The holder of the long position in respect of the Currency Can-do Contract
Short Party	The holder of the short position in respect of the Currency Can-do Contract
TERMS & CONDITIONS	
Option Type	Down-and-Out USD/ZAR put option contracts (barrier (being the Knock-Out Price) monitored continuously during the Knock-Out Determination Period)
Buyer of related option contracts	The party that is the Long Party to the Currency Can-Do Contract
Seller of related option contracts	The party that is the Short Party to the Currency Can-Do Contract

Strike Price	ZAR7.7000 / USD1.00
Knock-Out Price	ZAR6.8500 / USD1.00
Knock-Out Event	<p>A Knock-Out Event will only be deemed to have occurred in the event the JSE in accordance with its discretion determines that a foreign exchange transaction has occurred at any Knock-Out Valuation Time during the Knock-Out Determination Period for the purchase of a minimum notional amount of USD3 Million against the payment of ZAR at a currency exchange rate for the Currency Pair (as published by the Exchange) equal to or higher than the Knock-Out Price.</p> <p>If a Knock-Out Event occurs, the Currency Can-Do Contract will terminate, all related put 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>
Knock-Out Determination Period	The period from (and including) the Trade Date to (and including) the Expiration Date and Valuation Date.
Knock-Out Valuation Time	Any time from 05:00 (5:00 a.m.) (local time on a Monday in Sydney, Australia) to 17:00 (5:00 p.m.) (local time on a Friday in New York, United States of America), as such may exist during the Knock Out Determination Period.
PROCEDURE FOR EXERCISE	
Expiration and Valuation Date	<p>29 February 2012</p> <p>10:00 a.m. New York time (i.e. 17h00 Johannesburg Time), being the date and time of expiration of option contracts related to the Currency Can-Do Contract</p>
Reference Price	The closing currency exchange rate for the Currency Pair observed by the JSE on the Expiration and Valuation Date.
Automatic Exercise	Applicable, meaning that if the Reference Price is equal to or in excess of the Strike Price at the Expiration and Valuation Date, the related option contracts will be deemed automatically exercised
Cash Settlement	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 option contracts held on the Expiration and Valuation Date
Option Cash Settlement Amount	An amount equal to the number of option contracts exercised on the Expiration and Valuation Date multiplied by the Strike Price Differential, multiplied by the Multiplier.

Strike Price Differential	An amount equal to the greater of: <ul style="list-style-type: none"> a) the Reference Price minus the Strike Price; and b) zero.
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Exchange Fees – Sliding Scale Fee Structure:

Sliding Scale – Number of contracts traded	Option Trading Fee per contract
1 – 999	R0.64
1,000 – 4,999	R0.55
5,000 – 7,499	R0.46
7,500 – 9,999	R0.30
10,000 and above	R0.23

The fees will be capped at ZAR39,900 per deal to entice bigger contracts.

*All the above fees include VAT of 14%.

If you have any queries, please feel free to contact Warren Geers (+27 11 520 7470) / warreng@jse.co.za or Cindy Pillay (+27 11 520 7689) / cindyp@jse.co.za.

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