



Market Notice

Number: Y778

Date: 8 November 2011

Negative Real yields

Currently the R189 is trading at a real yield of 0.05/0.03 (close to a zero yield). The instrument will mature on 31 March 2013 and the trend is that it will soon trade at zero or at a negative real yield.

Nutron system and Strate do not accept a negative (or zero) yield for any bonds. In the event that the R189 spreads are zero or negative, the instrument will have to be converted to a price traded instrument on both Nutron and Strate systems and be traded and reported on consideration or all-in-price. In this way no negative or zero yields will be generated and the trade will match on the system. Trades are settled on the consideration and not on the yield.

Should you require any further information, please do not hesitate to contact irdataquery@jse.co.za

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