



Market Notice

Number: Y1334

Date: 02 April 2014

New Can-do Contract (CAFP) – One-Touch Binary Barrier Option (Up) on USD/Rand

The following new Can-do Contract 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, directives, regulations and margin methodologies (“**Rules**”) of the JSE Limited (“**JSE**”) in respect of Interest Rate and Currency Derivatives Market, the Rules will prevail unless the JSE expressly permits the Parties to give effect to their contractual provisions.

Summary Contract Specifications:

GENERAL TERMS	
Description	One-Touch Binary Barrier Option (Up) (barrier monitored continuously during the Barrier Determination Period)
Can-Do Name	Can-Do CAFP
Can-Do Code	CAFP
Contract Size (Multiplier)	USD 10 nominal
Currency Pair	USD/ZAR
Quotations	When determining the exchange rate for the Currency Pair, the amount of ZAR per one USD (rounded to four decimals) shall be determined
Settlement	This new Can-do Contract, in the event of the Barrier Event occurring, will settle by means of Cash Settlement, the Settlement Amount to be paid in ZAR on the Settlement Date. In the absence of such Barrier Event, this Can-do Contract will terminate.
Mark-to-Market	Explicit Daily The forward value of the arithmetic average of the traded underlying observed for a 5 minute period between 16:55 and 17:00 Johannesburg time.
Exchange Fees	Sliding Scale – See below



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Executive Directors: NF Newton-King (CEO),
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Non-Executive Directors: HJ Borkum (Chairman), AD Botha, M Jordaan
 MR Johnston, DM Lawrence, A Mazwai, Dr. MA Matooane, NP Mnxasana,
 NS Nematswerani, N Nyembezi-Heita, N Payne

Alternate Directors: JH Burke, LV Parsons

Company Secretary: GC Clarke

Initial Margin	ZAR 74 000 .00 (as determined by the JSE on a monthly basis)
Class Spread Margin	ZAR 37 000 .00
V.S.R.	2.50
Trade Date	The date the 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.
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 Can-do Contract
Short Party	The holder of the short position in respect of the Can-do Contract
Calculation Agent	The Market Maker of the One Touch Barrier Option
TERMS & CONDITIONS	
Option Type	One-Touch Binary Barrier Option (Up) on USD/Rand (barrier monitored continuously)
Buyer	The party that is the Long Party to the Can-do Contract
Seller	The party that is the Short Party to the Can-do Contract
Barrier Price	ZAR 10.9500 / USD1.00
Barrier Event	<p>Applicable at a minimum of USD 1 Million. Means, in respect of the Currency, if at any Barrier Valuation Time during a Barrier Determination Day, the level of the Currency (as published by the Exchange) is equal to or Higher than the Barrier Price.</p> <p>If the Barrier Event occurs, the Currency Future Can-do Contract will settle as stipulated in "Cash Settlement" if the option contracts related to the Currency Future Can-do Contract are exercised, otherwise in the absence of such Barrier Event the Currency Future Can-do Contract will terminate, all related 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>
Barrier Determination Period	The period from (and including) the Trade Date to (and including) the Expiration and Valuation Date.
Barrier Valuation Time	Any time during Barrier Determination Days when the USD/ZAR currency is open for trading on and monitored on the Reuters D3 system

PROCEDURE FOR EXERCISE	
Expiration and Valuation Date	16 April 2014 10:00 (10:00 a.m.) New York time (i.e. 16:00 (4:00 p.m). Johannesburg time)
Cash Settlement	Applicable. If the Barrier Event has occurred, the Short Party shall pay the Long Party the Settlement Amount.
Settlement Amount	ZAR 100 000.00 (i.e. ZAR 100 Thousand)

*Note: If a difference between the traded value and the initial valuation value occurs at inception. The difference will be smoothed out over a 21 day period, through the variation margin flow. In the case of a trigger event within the initial 21 day period, the remaining difference will be paid in full T+1.

Exchange Fees – Sliding Scale Fee Structure:

Sliding Scale – Number of contracts traded	Option Trading Fee per contract
1 – 499	R0.63
500 – 999	R0.60
1,000 – 2,999	R0.55
3,000 – 4,999	R0.53
5,000 – 7,499	R0.48
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%.

***The above instrument has been designated as “Foreign” by the South African Reserve Bank.**

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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