

MARKET NOTICE

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New Currency Future Can-do Contract (CAFZ) – Knock-In Barrier Option on USD/Rand (Up and In)

The following new Currency Future Can-do Contract (CAFZ) 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	Knock-In Barrier Option (barrier monitored continuously during the Knock-In Determination Period)
Can-Do Name	Can-Do CAFZ
Can-Do Code	CAFZ
Underlying Instrument	Currency Future USD/ZAR

Contract Size (Multiplier)	1
Contract Exposure	1000 Units of foreign currency
Minimum Price Movement	0.0001
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	The option contracts related to the Currency Future Can-do Contract, if exercised, will settle by means of Cash Settlement, the Option Cash Settlement Amount to be paid in ZAR
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
Initial Margin	ZAR 146 (as determined by the JSE on a monthly basis)
Class Spread Margin	ZAR 73
V.S.R.	2.5
Trade Date	The date the Currency Future 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	Style of the option contracts related to the Currency Future Can-do Contract: European, meaning that the rights granted under the option contracts related to the Currency Future Can-do Contract are exercisable on the date and at the time mentioned in Expiration and Valuation Date. Style of the Knock-In Event: American, meaning that whether or not a Knock-In Event has occurred will be determined during the Knock-In 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 Future Can-do Contract

Short Party	The holder of the short position in respect of the Currency Future Can-do Contract
TERMS & CONDITIONS	
Option Type	Up-and-In USD/ZAR US Dollar Call Option, being a call option contract (barrier monitored continuously)
Buyer of related option contracts	The Long Party to the Currency Future Can-do Contract
Seller of related option contracts	The Short Party to the Currency Future Can-do Contract
Strike Price	ZAR 11.75000 / USD1.00
Knock-In Price	ZAR 12.2500 / USD1.00
Knock-In Event	<p>A Knock-In 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-In Valuation Time during the Knock-In Determination Period for the purchase of a minimum notional amount of USD1Million 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-In Price.</p> <p>Should a Knock-In Event not occur, 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>
Knock-In Determination Period	The period from (and including) the Trade Date to (and including) the Expiration and Valuation Date.
Knock-In Valuation Time	Any time during Knock-In 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	<p>16 March 2015</p> <p>10:00 (10:00 a.m.) New York time (i.e. 16:00 (4:00 p.m.) Johannesburg time), being the date and time of expiration of the option contracts related to the Currency Future 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
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 at 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 multiplied by 1000.
Strike Price Differential	An amount equal to the greater of: a) the Reference Price minus Strike Price; and b) Zero.

*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: As per link below

http://www.jse.co.za/Markets/Currency-Derivatives-Market/Currency-Derivatives-Fees_copy1.aspx

***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.