
MARKET NOTICEJohannesburg
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Number: 163/2017
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 26 April 2017

SUBJECT: TREATMENT ROLLS ROYCE HOLDING PLC (RR LN EQUITY) CORPORATE ACTION – 27 APRIL 2017 (EX. DATE)

Name and Surname: Brett Kotze
Designation: Head of Operations – Clearing and Settlement

Members notice is drawn to section 13 of the contract specifications of Individual Equity Futures and options, which states:

“13. Corporate Events

The JSE reserves the right to adopt any procedure or to adjust any single stock future or option on a single stock future, in a manner it deems fit, to deal with any extraordinary corporate events that may occur from time to time in relation to a share that is the underlying instrument of the equity option and to notify position holders, derivatives members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundlings, capitalisation issues and rights issues.

The implication of this is that anybody trading in Single Stock futures or options on Single Stock futures in which the underlying stock is the subject of an extraordinary corporate event should be aware that the JSE may make adjustments to the Single Stock futures and options.

Return of Capital

Rolls Royce Holding Plc (RR LN Equity) has declared a return of capital R1.188549 per share. With regard to this corporate action, the following adjustments will be made to ROLG positions on Friday, 28th April 2017 (**Ex-date + 1**). The adjustments will be made to positions held in ROLG as at close of business on Wednesday, 26th April 2017 (**LDT**).

1. Futures contracts.

The futures position will be increased by the following factor:

Calculation of futures factor:

Spot price / adjusted price

Where:

Spot price = the official closing price of the underlying share on Wednesday, 26th April 2017 (LDT).

Adjusted price = Spot price – 1.188549 (capital reduction).

E.g. if the official closing prices of the underlying share on Wednesday, 26th April 2017 (LDT) is 134.34 the following would apply:-

Spot price = 134.34

Adjusted price = 134.34 – 1.188549
= 133.151451

Futures factor = 134.34 / 133.151451
= 1.00892629401

I.e. Current positions*Factor (rounded to nearest whole contract) = the number of total contracts. Additional contracts will be created at an initial value of zero.

Should you have any queries regarding this notice, please contact clearops@jse.co.za.

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>