

MARKET NOTICE

Johannesburg
Stock Exchange

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Number: 296/2017
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 28 June 2017

SUBJECT: INTRODUCING A JULY 2017 YELLOW MAIZE COMMODITY CAN-DO

Name and Surname: Chris Sturgess

Designation: Director – Commodities & Key Client Management

The July 2017 Yellow Maize Commodity Can-do future contracts will be listed for trading on 30 June 2017. Insofar as any contractual provision set out below is inconsistent with the rules and regulations (“Rules”) of the JSE Limited (“JSE”), the Rules will prevail unless the JSE expressly permits the Parties to give effect to their contractual provision.

Contract Specifications – Yellow Maize Commodity Can-Do XYMS

GENERAL TERMS	
Description	JULY17 YELLOW MAIZE COMMODITY CAN DO
Can-Do Name	Can-Do XYMS
Can-Do-Code	XYMS
Contract Size (Multiplier)	1 contract = 100 tons for the avoidance of doubt, this means that each contract will reference a price per ton multiplied by 100
Quotations	Price per ton in Rand
Minimum Price Movement	R0.20 per ton

JSE Fees	R30.00 per contract (INCL VAT) (30 cents per ton)
Initial Margin	R24,800
Series spread margin	As per YMAZ spread margin
Position Limits	Not applicable
Trade Date	The date the Can-Do position is first entered into by the clients and captured by the JSE
Business Day	Any day on which banks are open for a normal trading day in Johannesburg and grain prices are published by the JSE.
Underlying	
Underlying Future	YMAZ futures contract meeting all specifications as listed and traded on the Commodity Derivatives Market of the JSE
Daily MTM adjustments	Tracking the nearby YMAZ listed expiry month and deducting: <ul style="list-style-type: none"> • JSE standard MAIZE storage at R0.72 cents per ton per day • Financing cost calculated as (# of days from and including 3 July 2017 <i>multiplied</i> by nearby YMAZ futures MTM <i>multiplied</i> by Prime less 2.35%) <i>divided</i> by 365 days
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand per ton. Confirmed by the EFR transaction generated by the exchange upon confirmation of the Can-Do trade. The execution of the Can-Do will trigger an automated allocation of the underlying YMAZ future contracts between the buyer and seller to create an equal and opposite XYMS Can-do. The report only transactions will be facilitated by the JSE.
Underlying Currency	Rand (ZAR)
Underlying physical commodity	Yellow Maize as defined by the contract code YMAZ and presented by the issue of JSE silo receipts
Final Evaluation Date	Expiration date confirmed as 21 July 2017
Valuation Frequency	Daily at 12h00 as per the JSE MTM process for grain products
TERMS & CONDITIONS – Can Do XYMS	

Type	Can Do Future
Buyer	Is the party that is the Long Party to the Can Do Future
Seller	Is the party that is the Short Party to the Can- Do Future
Initial Futures Price	As agreed by the counter parties, EFR or trade level
PROCEDURE AT EXPIRATION	
Expiration Date and Time	12h00 on the business day prior to last trading day for the YMAZ contract, for avoidance of doubt 21 July 2017
Reference Price including final valuation	The underlying YMAZ JUL17 commodity price as determined on expiration date including the defined adjustments for storage and financing costs. The storage and financial cost will be calculated based on the next business day following expiration
Can-Do : Cash Settlement with futures equivalent positions booked in the underlying reference month at expiration date	<p>The XYMS contract will be cash settled at the calculated reference price with an equal and opposite YMAZ JUL17 future position created at the same level. For avoidance of any doubt, the party that sells back the XYMS JUL17 will buy YMAZ JUL17 future contract and the party that buys back the XYMS JUL17 will sell the YMAZ JUL17 future contracts.</p> <p>The YMAZ JUL17 positions will be captured as a report only trade before 14h30 on the expiration date.</p>
Location Differential and grade discounts	Not applicable

Since the Can-Do is specific between the two counterparties, the original trade is reported into the order book. The contract is visible on the NUTRON front end under Agris Trading, Cando.

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

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