

# FUTURES ON INFLATION-LINKED BONDS

Product Specification

December 2016



## Product Specifications

Name	Futures on Inflation Linked Bonds
Underlying	Single Inflation-linked Government Bonds listed on the JSE.
Expiry Dates and time	The expiry date and time of the underlying futures contract. <ul style="list-style-type: none"> <li>• First business Thursday of February, May, August and November at 12h00 SA time</li> </ul>
Codes	Futures expiry date + Underlying Bond i.e. 03 August 17 R202
Listing Programme	Near, middle and far contract. Further dated expiries on request and subject to approval from the JSE's Risk team
Unit of Trading and Minimum Allocation	1 contract has a nominal of ZAR 100,000.00 of the underlying bond
Quotation	Price
Minimum Quotation Movement	1/100,000 <sup>th</sup> of a point
Settlement Type	Physical Settlement
Settlement	Delivery of the underlying bond
Allocation of counterparties on expiry	It is based on a random allocation algorithm. Allocation is not based on your original counterparty
Delivery Date	T+3 of expiry date (in line with market practice in the underlying market)
Settlement Assurance	Settlement assurance is provided by JSE Clear from expiry to settlement of the underlying bond.
Settlement Price	All-in-Price (AIP) calculated from the contracts



	<p>closing yield to maturity for settlement on the delivery date, using the Standard Inflation Linked Bond Pricing Formula (<a href="https://www.jse.co.za/content/JSE Pricing Items/PricingMethodologyforInflationIndexedbonds.pdf">https://www.jse.co.za/content/JSE Pricing Items/PricingMethodologyforInflationIndexedbonds.pdf</a>)</p>
Mark-To-Market	Explicit Daily
Margining	Margined according to the JSE's <i>Portfolio Scanning Methodology</i>

\*NACS = Nominal Annual Compounded Semi-Annual