

## MARKET NOTICE

Johannesburg  
Stock Exchange

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[www.jse.co.za](http://www.jse.co.za)

**Number:** 218/2019

**Relates to:** ☐ Equity Market  
☒ Equity Derivatives  
☐ Commodity Derivatives  
☐ Interest Rate and Currency Derivatives

**Date:** 29 July 2019

**SUBJECT:** STRIKE RESETTING PUT SPREAD OPTION (XS55)

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**Designation:** Head - Equities and Equity Derivatives

The following **Strike Resetting Put Spread Option** has been listed with immediate effect and is available for trading. 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 provisions.

### Summary Contract Specifications:

GENERAL TERMS	
<b>Description</b>	Strike Resetting Put Spread Option (strike resets monitored discretely)
<b>Option Style</b>	European
<b>Underlying</b>	FTSE/JSE Shareholder Weighted Top 40 Index Bloomberg Code: JSHR40 Index
<b>Primary Exchange</b>	JSE Ltd.
<b>Underlying Currency</b>	ZAR
<b>Contract Size (Multiplier)</b>	1 per Index point
<b>Expiration Date</b>	02 April 2020 (Further expiration dates may be added upon request)
<b>Settlement Method</b>	Cash Settled

<b>Minimum Price Movement</b>	ZAR 0.01
<b>Quotations</b>	To the nearest point
<b>Strike Price Reset Event</b>	<p>Means, in respect of the Index, if, at a Strike Price Reset Valuation Time on a Strike Price Reset Determination Day, the level of the Index (as published by the JSE) is equal to or greater than:</p> <ul style="list-style-type: none"> <li>a) Strike Price Reset Level 1, the Strike Prices of both Options are increased to Strike Price Reset Value 1</li> </ul> <p>For the avoidance of doubt:</p> <ul style="list-style-type: none"> <li>a) the Strike Price can only reset upwards, never downwards; and</li> <li>b) A Strike Price Reset Event can only occur once in respect of any given Strike Price Reset Level.</li> </ul>
<b>Initial Index Reference Level</b>	11,021.03
<b>Strike Price Reset Levels</b>	1. 106% (11,682.29) of the Initial Index Reference Level
<b>Strike Price Reset Values</b>	1. Option 1 – 103.88% (11,448.65) and Option 2 – 96.46% (10,630.89) of the Initial Index Reference Level respectively
<b>Strike Price Reset Determination Days</b>	Means each scheduled Trading Day from (and including) the Trade Date, to (and including) the Final Reset Date.
<b>Strike Price Valuation Time</b>	The Scheduled Closing Time on the JSE.
<b>Final Reset Date</b>	02 April 2020
<b>TERMS &amp; CONDITIONS – OPTION 1</b>	
<b>Type</b>	Put
<b>Buyer</b>	Is the party that is the Long Party to the Can-Do option
<b>Seller</b>	Is the party that is the Short Party to the Can-Do option
<b>Strike Price</b>	98% (10,800.61) of the Initial Index Reference Level
<b>TERMS &amp; CONDITIONS – OPTION 2</b>	
<b>Type</b>	Put

<b>Buyer</b>	Is the party that is the Short Party to the Can-Do option
<b>Seller</b>	Is the party that is the Long Party to the Can-Do option
<b>Strike Price</b>	91% (10,029.14) of the Initial Index Reference Level
<b>PROCEDURE FOR EXERCISE</b>	
<b>Expiration and Valuation Time</b>	Official closing time as published by the Underlying Listed Exchange on the Final Valuation Date Note: If the official closing time of the underlying exchange falls outside the JSE trading hours, the contract will close-out on the following JSE business day using the previous day's official closing price.
<b>Expiration and Valuation Date</b>	02 <sup>nd</sup> April 2020 (Further expiration dates may be added upon request)
<b>Reference Level</b>	The level of the Underlying (as published by the JSE) at the Valuation Time on the Valuation Date Date(s)
<b>Automatic Exercise</b>	Applicable. For the avoidance of doubt, Option 1 and Option 2 will be automatically exercised (either together or separately) where the Strike Price Differential for that Option is greater than zero.
<b>SETTLEMENT TERMS</b>	
<b>Cash Settlement</b>	Applicable
<b>Settlement Currency</b>	South African Rand (ZAR)
<b>Cash Settlement Amount</b>	The amount determined on the Valuation Date at the Valuation Time, in accordance with the following formula: <b><i>Number of Option Contracts * Multiplier * [max(0, Strike<sub>p1</sub> - Spot<sub>final</sub>) - max(0, Strike<sub>p2</sub> - Spot<sub>final</sub>)]</i></b>
<b>Cash Settlement Payment Date</b>	Two (2) Currency Business Days following the Valuation Date
<b>Business Days</b>	Johannesburg
<b>Business Day Convention</b>	Following (Cash flows that fall on a non-business day are assumed to be distributed on the following business day)
<b>COST IMPLICATIONS</b>	
<b>JSE Trading Fees</b>	See Can-Do Booking Fee Schedule – Fee Model EXO: <a href="https://www.jse.co.za/content/JSE Pricing Items/MPL/JSE%20Price%20List%202019%20-%20Issuers,%20Services%20and%20Trading.pdf">https://www.jse.co.za/content/JSE Pricing Items/MPL/JSE%20Price%20List%202019%20-%20Issuers,%20Services%20and%20Trading.pdf</a>

Can-Do instruments are loaded into the Nutron system as simple futures. The value displayed is the fair market value of the instrument with its correct valuation (in the case of an option, the instrument valuation is the option premium).

Should you have any queries regarding Can-Do instruments, please contact the Can-Do Team on **011 520-7981** or [EDM@jse.co.za](mailto:EDM@jse.co.za).

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