MARKET NOTICE

Johannesburg
Stock Exchange

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Number:	**41/2019**
Relates to:	☐ Equity Market ☒ Equity Derivatives ☐ Commodity Derivatives ☐ Interest Rate and Currency Derivatives
Date:	6 February 2019
SUBJECT:	**CAN-DO STRIKE RESETTING PUT SPREAD OPTION (XS37)**
Name and Surname:	Valdene Reddy
Designation:	Head - Equities and Equity Derivatives

The following Strike Resetting Put Spread Option - Out of Currency 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	
Description	Strike Resetting Put Spread Option
Option Style	European
Underlying	FTSE/JSE Shareholder Weighted Top 40 Index (Bloomberg code: JSHR40 <Index>)
Primary Exchange	JSE
Underlying Currency	ZAR
Contract Size (Multiplier)	10 (for the avoidance of doubt, this means that each option references the Index, multiplied by 10 ZAR)
Initial Reference Level	10,469.39
Expiration Date	3 October 2019 (Further expiration dates may be added upon request)
Settlement Type	Cash
Minimum Price Movement	0.01

Quotations	Of the underlying Index, the value to two decimal places
Initial Margin	1610
Class Spread Margin	805
V.S.R.	5.00
Strike Price Reset Event	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: a) Strike Price Reset Level 1, the Strike Prices of both Options are increased to Strike Price Reset Value 1 For the avoidance of doubt: a) the Strike Price can only reset upwards, never downwards; and b) A Strike Price Reset Event can only occur once in respect of any given Strike Price Reset Level.
Strike Price Reset Levels	1. (11,202.25) of the Initial Index Reference Level
Strike Price Reset Values	1. Option 1 –(10,978.20) and Option 2 –(10,194.05) of the Initial Index Reference Level respectively
Strike Price Reset Determination Days	Means each scheduled Trading Day from (and including) the Trade Date, to (and including) the Final Reset Date.
Strike Price Valuation Time	The Scheduled Closing Time on the JSE.
Final Reset Date	3 October 2019
TERMS & CONDITIONS – OPTION 1	
Type	Put
Buyer	Is the party that is the Long Party to the Can-Do option
Seller	Is the party that is the Short Party to the Can-Do option
Strike Price	10,260.00
TERMS & CONDITIONS – OPTION 2	
Type	Put
Buyer	Is the party that is the Short Party to the Can-Do option
Seller	Is the party that is the Long Party to the Can-Do option
Strike Price	9,527.14

PROCEDURE FOR EXERCISE	
Automatic Exercise	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.
Expiration and Valuation Date	3 October 2019
Expiration and Valuation Time	17:00 on the Expiration and Valuation Date
Reference Price	Official closing price as published by the Primary Exchange on the Final Valuation Date
Cash Settlement	Applicable, both for Option 1 and Option 2. If the Strike Price Differential for a given Option is greater than zero, the Short Party shall pay to the Long Party the Cash Settlement Amount for the number of Options held at the Expiration and Valuation Date.
Cash Settlement Amount	Means an amount equal to the number of options exercised on the Expiration and Valuation Date multiplied by the Strike Price Differential, multiplied by the Multiplier.
Strike Price Differential for Option 1 (European Put)	Means an amount equal to the greater of: a) the Strike Price minus the Reference Price (after any adjustment due to any strike price reset); and b) zero.
Strike Price Differential for Option 2 (European Call)Differential	Means an amount equal to the greater of: a) the Reference Price minus the Strike Price (after any adjustment due to any strike price reset); and b) zero.
Business Day	Any day on which banks are open for a normal trading day in Johannesburg and the Index is published by the JSE.
Business Day Convention	Following (Cash flows that fall on a non-business day are assumed to be distributed on the following business day).
COST IMPLICATIONS	
JSE Trading Fees	*See Can-Do Booking Fee Schedule – Fee Model EXO:* https://www.jse.co.za/content/JSEPricingItems/MPL/JSE%20Price%20List%202019%20-%20Issuers,%20Services%20and%20Trading.pdf

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

FOR OFFICE USE ONLY	
Can-Do Type	Strike Resetting Put Spread - Exotic Option (EXO)
Can-Do Underlying Type	Index
Underlying Code	FTSE/JSE Shareholder Weighted Top 40 Index (Bloomberg code: JSHR40 <Index>)
Non-Linear Flag (Y/N)	Yes
Zero fee OTM Flag (Y/N)	No

Should you have any queries regarding this notice, please contact structuredproducts@jse.co.za.
This Market Notice will be available on the website at https://www.jse.co.za/redirects/market-notices-and-circulars