

MARKET NOTICE

Johannesburg
Stock Exchange

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Number: 80/2018
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 1 March 2018

SUBJECT: LISTING CURRENCY CAN-DO FUTURE CONTRACT KNOCK-IN BARRIER OPTION (CAHE) ON USD/ZAR

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Designation: Head - Capital Markets

The following instrument has been added to the list with immediate effect and will be available for trading as from today. 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	Knock-In Barrier Option (barrier monitored continuously during the Knock-In Determination Period)
Can-Do Name	Can-Do (CAHE)
Can-Do Code	CAHE
Underlying Instrument	Currency Future USD/ZAR
Contract Size (Multiplier)	USD1 nominal
Minimum Price Movement	0.0001 (ZAR0.10)
Currency Pair	USD/ZAR
Quotations	When determining the exchange rate for the Currency Pair, the amount of ZAR per one USD (rounded to four decimals) shall be determined.

Settlement	The option contracts related to the Currency Future Can-Do Contract, if exercised, will settle by means of Cash Settlement, the Option Cash Settlement Amount to be paid in ZAR.
Mark-to-Market	Notwithstanding the definition of the Knock-In Determination Period, the JSE will only consider reported data up to and including 17:00 in order to price the contract on a daily basis. Any Knock-In event which occurs after this cut-off time will only be considered on the subsequent trading day from a valuations perspective.
Exchange Fees	See below
Initial Margin	ZAR 3 130 (as determined by the JSE on a monthly basis)
Class Spread Margin	ZAR 1 565
V.S.R.	4
Trade Date	The date the Currency Future Can-Do Contract is concluded
Business Day	Any day on which banks are open for business in Johannesburg and currency prices are published by the JSE.
Option Style	<p>Style of the option contracts related to the Currency Future Can-Do Contract: European, meaning that the rights granted under the option contracts related to the Currency Future Can-Do Contract are exercisable on the date and at the time mentioned in Expiration and Valuation Date.</p> <p>Style of the Knock-In Event: American, meaning that whether or not a Knock-In Event has occurred will be determined during the Knock-In Determination Period.</p>
Initial Reference Level	The currency exchange rate for the Currency Pair as agreed by the Long Party and the Short Party on the Trade Date, being the level of the Currency Pair from which any movement in such currency exchange rate (the minimum of which is the Minimum Price Movement) will be determined.
Long Party	The holder of the long position in respect of the Currency Future Can-Do Contract
Short Party	The holder of the short position in respect of the Currency Future Can-Do Contract
TERMS & CONDITIONS	
Option Type	Up-and-In USD/Rand US Dollar Call Option, being a call option contract (barrier monitored continuously)

Buyer of related option contracts	The party that is the Long Party to the Currency Future Can-Do Contract
Seller of related option contracts	The party that is the Short Party to the Currency Future Can-Do Contract
Strike Price	ZAR 9.5000 /USD 1.00
Knock-In Price	ZAR 12.5000/USD 1.00
Knock-In Event	A Knock-In Event will only be deemed to have occurred in the event the JSE in accordance with its discretion determines that a foreign exchange transaction has occurred during the Knock-In Determination Period for the purchase of a minimum notional amount of USD1Million against the payment of ZAR at a currency exchange rate for the Currency Pair equal to or Higher than the Knock-In Price.
Knock-In Determination Period	The period from (and including) the Trade Date to (and including) the Expiration and Valuation Date.
PROCEDURE FOR EXERCISE	
Expiration and Valuation Date	28 March 2018 10:00 (10:00 a.m.) New York time (i.e. 16:00 (4:00 p.m.) Johannesburg time), being the date and time of expiration of the option contracts related to the Currency Future Can-Do Contract.
Reference Price	The closing currency exchange rate for the Currency Pair observed by the JSE on the Expiration and Valuation Date based off Reuters ZAR=D3.
Automatic Exercise	Applicable, meaning that if the Reference Price is equal to or in excess of the Strike Price at the Expiration and Valuation Date, the related option contracts will be deemed automatically exercised.
Cash Settlement	Applicable. If the Strike Price Differential is greater than zero, the Short Party shall pay the Long Party the Option Cash Settlement Amount for the number of option contracts held at the Expiration and Valuation Date.
Option Cash Settlement Amount	An amount equal to the number of option contracts exercised on the Expiration and Valuation Date multiplied by the Strike Price Differential, multiplied by the Multiplier multiplied by 1000.
Strike Price Differential	An amount equal to the greater of: a) the Reference Price minus the Strike Price; and b) zero.

Exchange Fees: [Trading Fees](#)

***The above instrument has been designated as “Foreign” by the South African Reserve Bank.**

If you have any queries, please feel free to contact Elaine Mabiletsa (+27 11 520 7431) / elainem@jse.co.za

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