

MARKET NOTICE

 Johannesburg
 Stock Exchange

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Number: 31/2018
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 30 January 2018

SUBJECT: INTRODUCING FEBRUARY 2018 QUANTO BRENT CRUDE OIL CAN-DO CONTRACT

Name and Surname: Raphael Karuaihe
Designation: Head - Commodities

The February 2018 Quanto Brent Crude Oil Can-Do futures contract will be listed for trading on 31 January 2018. 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 - Commodity Can-Do XBNT

GENERAL TERMS - FUTURE CONTRACT	
Description	FEB18 QUANTO BRENT CRUDE OIL COMMODITY CAN-DO
Can-Do Name	Can-Do XBNT
Can-Do-Code	XBNT
Contract Size (Multiplier)	1 contract = 1000 multiplier of the reference price per barrel
Reference Contract	Brent crude oil (product symbol BZJ18), April 2018 expiry month as traded on NYMEX, a subsidiary of the CME Group Inc.
Quotations	Denominated in South African Rand (ZAR)
Minimum Price Movement	R0.01 ZAR per contract unit

JSE Fees	R20
Initial Margin	R6,300
Calendar spread margin	R2,570
Series spread margin	N/A
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 prices are published by the JSE.
Underlying	
Underlying Future	A Brent crude oil futures contract meeting all specifications as listed and traded on NYMEX, a subsidiary of the CME Group Inc. The JSE reserves the right to amend the contract specifications including settlement methodology should this be amended by the reference exchange.
Daily MTM	Snapshots of contract will be taken between 16h55 and 17h00. Based on the random snapshot selected the MTM will be calculated as the middle of the double based on best bid and offer.
Daily MTM time	16h55 - 17h00
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand per barrel. Confirmed by the EFR transaction generated by the exchange upon confirmation of the Can-Do trade. The report only transactions will be facilitated by the JSE.
Underlying Currency	Rand (ZAR)
Last trading date	23 February 2018
Settlement Date	26 February 2018
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS - Can-Do XBNT	
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	

Final valuation and cash settlement	The final settlement price for cash settlement of the contract will require only CME Group closing price, denominated in ZAR. The CME Group settlement value (MTM) published on the last trading date of the South African contract, for avoidance of doubt 23 February 2018, will be applied as the final cash settlement value on settlement date 26 February 2018. There will be no foreign exchange rate adjustments.
GENERAL TERMS - OPTIONS CONTRACT	
Description	FEB18 QUANTO BRENT CRUDE OIL COMMODITY CAN-DO OPTION
Can-Do Name	Can-Do XBNT
Can-Do-Code	XBNT
Option Style	European Style
Contract Size (Multiplier)	1 contract = 1000 multiplier of the reference price per barrel
Strike price interval	R0.10 per contract unit strike price intervals.
Quotations	Denominated in South African Rand (ZAR)
JSE Fees	R12
Series spread margin	N/A
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 prices are published by the JSE.
Underlying	
Underlying Future	FEB18 QUANTO BRENT CRUDE OIL COMMODITY CAN-DO
Daily MTM	Mark-to-market prices will be calculated from volatility quotes for at-the-money using the Black options pricing model.
VSR	3.5%
Daily MTM time	16h45 - 17h00
Initial reference level	As agreed by the Long and the Short Party on the trade date in Rand per barrel. Confirmed by the EFR transaction generated by the exchange upon confirmation of the Can-Do trade. The report only transactions will be facilitated by the JSE.

Underlying Currency	Rand (ZAR)
Last trading date	23 February 2018
Final settlement date	26 February 2018
Valuation Frequency	Daily between 16h55 and 17h00
TERMS & CONDITIONS - Can-Do XBNT	
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 Price (for automatic exercise)	Mark-to-market price of the underlying future as per CME Group, at-the-money options volatility.

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, Can-Do.

The above instrument has been designated as “foreign” by the South African Reserve Bank

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>