JSE

Johannesburg
Stock Exchange

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Number:	180/2019
Relates to:	☐ Equity Market
	☒ Equity Derivatives
	☐ Commodity Derivatives
	☐ Interest Rate and Currency Derivatives
Listing Date:	24 June 2019

SUBJECT:	**STRIKE RESETTING (COLLAR) OPTION (XS54)**

Name and Surname:	Valdene Reddy
Designation:	Head – Equity and Equity Derivatives

The following Strike Resetting **(Collar) 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	
Description	Strike Resetting Collar Option (Knock-in Barrier)
Option Style	European
Underlying	FTSE/JSE Shareholder Weighted Top 40 Index (Bloomberg code: JSHR40 SJ Equity)
DIN Code	JSHR40 Option Cash Base 10 XS54
Primary Exchange	Johannesburg Stock Exchange
Underlying Currency	ZAR (South African Rand)
Contract Size (Multiplier)	1
Expiration Date	18 June 2020 (Further expiration dates may be added upon request)
Settlement Method	Cash Settled
Minimum Price Movement	1 point
Quotations	Rounded to the nearest whole

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) 150% (16,867.50) of the Initial Index Reference Level
Strike Price Reset Values	1) Option 1 – 91.00% (10,232.95) and Option 2 – 113.75% (12,791.19) 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	18 June 2020
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 (ZAR)	90.00% (10,120.50) of the Initial Index Reference Level
TERMS & CONDITIONS – OPTION 2	
Type	Call
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 (ZAR)	112.75% (12,678.74) of the Initial Index Reference Level
PROCEDURE FOR EXERCISE	
Expiration and Valuation Time	As per the standard Futures Close Out, between 12:00 and 12:15 pm, subject to market order and price monitoring extensions, to ensure the correct price is determined at the uncrossing. 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.

Expiration and Valuation Date	18 June 2020
Reference Price	Official closing price as published by the Underlying Exchange on the Final Valuation Date.
Initial Index Reference Level	11,245.00
Automatic Exercise	Applicable. For the avoidance of doubt, Option 1 and Option 2 will be automatically exercised where the Strike Price Differential for that Option is greater than zero.
SETTLEMENT TERMS	
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	The amount determined on the Valuation Date at the Valuation Time, in accordance with the following formula *(after adjustment due to any Strike Price Reset)*: ***Number of Option Contracts * Multiplier * *** $[max(0, Strike_p - Index_{final}) - max(0, Index_{final} - Strike_c)]$
Cash Settlement Payment Date	Two (2) Currency Business Days following the Valuation Date
Business Days	Johannesburg
Business Day Convention	Following (Cash flows that fall on a non-business day are assumed to be distributed on the following business day)
Settlement Currency	South African Rand (ZAR)
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**

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