

MARKET NOTICE

Johannesburg
Stock Exchange

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www.jse.co.za

Number: 86/2019
Relates to: ☐ Equity Market
☒ Equity Derivatives
☐ Commodity Derivatives
☐ Interest Rate and Currency Derivatives
Listing Date: 13 March 2019

SUBJECT: STRIKE RESETTING PUT SPREAD OPTION (XS48)

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Designation: Head – Equity and Equity Derivatives

The following **Basket 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 Put Spread Option (strike resets monitored discretely)
Option Style	European
Underlying	The Basket Constituents as per Annexure A
Primary Exchange	JSE Ltd.
Underlying Currency	ZAR
Contract Size (Multiplier)	100
Expiration Date	19 September 2019 (Further expiration dates may be added upon request)
Settlement Method	Cash Settled
Minimum Price Movement	ZAR 0.01

Quotations	Two decimal places
Basket Spot Reference Level	<p>The Spot Reference Level of the Basket will be calculated as follows:</p> $\sum \text{Spot Price of each Basket Constituent in Annexure A}$
Strike Price Reset Event	<p>Means, in respect of the Stock, if, at a Strike Price Reset Valuation Time on a Strike Price Reset Determination Day, the level of the Stock (as published by the JSE) is equal to or greater than:</p> <p>a) Strike Price Reset Level 1, the Strike Prices of both Options are increased to Strike Price Reset Value 1</p> <p>b) Strike Price Reset Level 2, the Strike Prices of both Options are increased to Strike Price Reset Value 2</p> <p>For the avoidance of doubt:</p> <p>a) the Strike Price can only reset upwards, never downwards; and</p> <p>b) a Strike Price Reset Event can only occur once in respect of any given Strike Price Reset Level.</p>
Strike Price Reset Levels	1. 115.00% (ZAR 3 576.27) of the Initial Underlying Reference Level
Strike Price Reset Values	1. Option 1 – 112.70% (ZAR 3 504.74) and Option 2 – 101.20% (ZAR 3 147.12) of the Initial Underlying 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.
TERMS & CONDITIONS – OPTION 1	
Type	Put
Buyer	The Long Party to the Can-Do Option
Seller	The Short Party to the Can-Do Option
Strike Price	98% (ZAR 3 047.60) of the Initial Underlying Reference Level
TERMS & CONDITIONS – OPTION 2	
Type	Put
Buyer	The Short Party to the Can-Do Option
Seller	The Long Party to the Can-Do Option

Strike Price	88% (ZAR 2 736.62) of the Initial Underlying Reference Level
PROCEDURE FOR EXERCISE	
Expiration and Valuation Time	<p>Official closing time as published by the Underlying Listed Exchange on the Final Valuation Date</p> <p>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.</p>
Expiration and Valuation Date	19 September 2019 (Further expiration dates may be added upon request)
Reference Level	The level of the Underlying (as published by the JSE) at the Valuation Time on the Valuation Date Date(s)
Automatic Exercise	Applicable
SETTLEMENT TERMS	
Cash Settlement	Applicable
Settlement Currency	South African Rand (ZAR)
Cash Settlement Amount	<p>The amount determined on the Valuation Date at the Valuation Time, in accordance with the following formula:</p> <p><i>Number of Option Contracts * Multiplier * [max(0, Strike_{p1} - Spot_{final}) - max(0, Strike_{p2} - Spot_{final})]</i></p>
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)
COST IMPLICATIONS	
JSE Trading Fees	<p>See Can-Do Booking Fee Schedule – Fee Model EXO:</p> <p>https://www.jse.co.za/content/JSE Pricing Items/MPL/JSE%20Price%20List%202019%20-%20Issuers,%20Services%20and%20Trading.pdf</p>

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-notice-and-circulars>

Annexure A

Initial: Levels of Can-Do Basket

Share Code	SPI (Shares)	Price	Market Cap	Weight
NPN	1	ZAR 3215.34	ZAR 3215.34	100%
MCG	1	ZAR 102.00	ZAR 102.00	100%
		Initial Basket Spot reference level	ZAR 3317.34	