

SERVICE HOTLINE

REFERENCE NUMBER : 46/2015

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Johannesburg
Stock Exchange

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EQUITY MARKET: Proposed Changes to Closing Price Methodologies

Dear Clients,

The process of determining the closing price for an instrument is defined per trading Segment and is based on the following calculation methodologies:

Trading Segment	Primary Closing Price	Secondary Closing Price	Methodology
ZA01	Closing Auction	VWAP	Methodology 1
ZA02	Closing Auction	VWAP	Methodology 1
ZA03	Closing Auction	VWAP	Methodology 1
ZA04	Mid-point	None	Methodology 2
ZA06	Closing Auction	Mid-point	Methodology 3
ZA11	Closing Auction	VWAP	Methodology 1
ZA12	Closing Auction	VWAP	Methodology 1

The JSE received queries around the instances where there have been large spikes in the Closing Prices for instruments in trading segments ZA04 (Warrants and Investment Products) and ZA06 (Exchange Traded Products). Closing Prices in these two segments were then analysed for the period 1 December 2013 - 31 January 2015.

Based on the analysis, the JSE recommends changing Closing Price Methodologies 2 and 3 to replace the Best Bid (BB)/ Best Offer (BO) step with the Previous Close value as a method of determining the Closing Price for ZA04 and ZA06 instruments.

The JSE has been consulting with the Equity Trading Advisory committee (TAC) around the proposed changes and would like to consult with the rest of the market participants to obtain their view around the proposed changes. The changes to closing price methodologies 2 and 3 are depicted in the two diagrams that follow:

Service:

JSE Equity Market

Environment(s):

Production

Additional Information:

If you have any queries about this announcement, please contact:

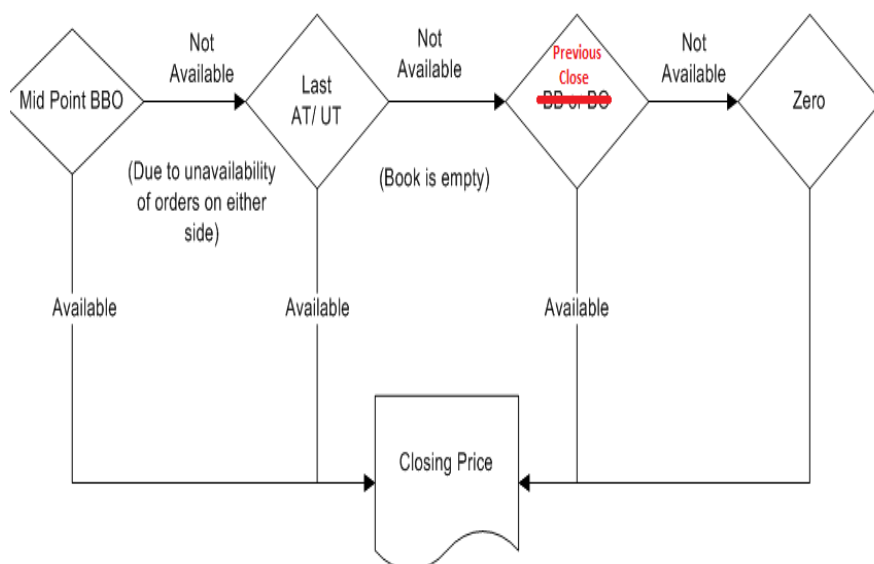
Soraya Seedat

Senior Trading Officer

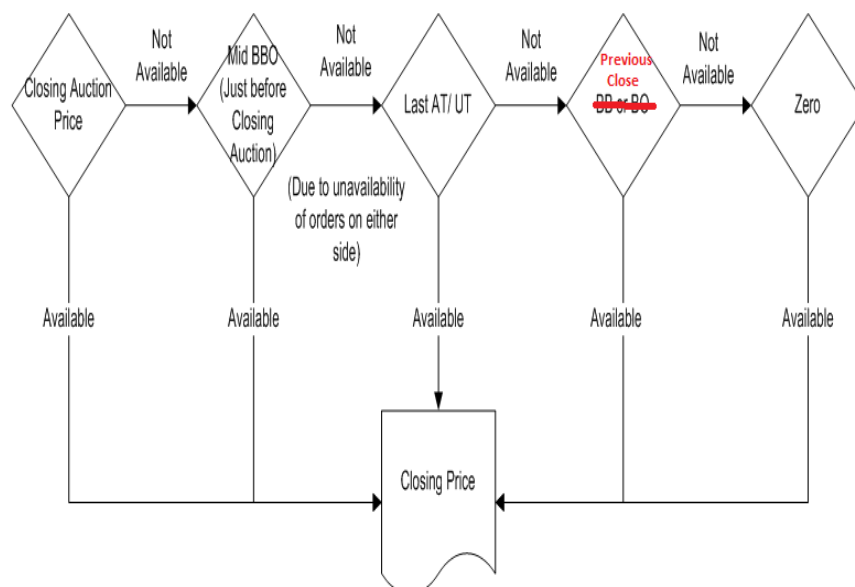
Trading & Market Services

sorayas@jse.co.za

Proposed change to Closing Price Methodology 2:



Proposed change to Closing Price Methodology 3:



The JSE requests that you provide feedback on the proposed changes by emailing sorayas@jse.co.za by close of business on Friday, 8 May 2015. Once feedback has been received and collated, the JSE will communicate the outcome.

Service:

JSE Equity Market

Environment(s):

Production

Additional Information:

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