

**MARKET NOTICE**

 Johannesburg  
 Stock Exchange

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**Number:** 015/2020  
**Relates to:**  Equity Market  
 Equity Derivatives  
 Commodity Derivatives  
 Interest Rate and Currency Derivatives  
**Listing Date:** 23 January 2020

**SUBJECT: EXOTIC OPTION - JSR40 INDEX - STRIKE RESETTING PUT SPREAD - XS63**

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**Designation:** Head - Equities and Equity Derivatives

The following **Strike Resetting Put Spread 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	
<b>Description</b>	Exotic Option – Strike Resetting Put Spread Option (Strike resets monitored discretely)
<b>DIN Code</b>	JSR40 Option Cash Base XS63
<b>Option Style</b>	European
<b>Underlying</b>	FTSE/JSE Shareholder Weighted Top 40 Index Bloomberg Code: JSR40 SJ Equity
<b>Primary Exchange</b>	JSE Ltd.
<b>Underlying Currency</b>	ZAR
<b>Contract Size (Multiplier)</b>	1 (each option references 1 share)
<b>Expiration Date</b>	21 October 2020 (Further expiration dates may be added upon request)
<b>Settlement Method</b>	Cash Settled
<b>Minimum Price Movement</b>	ZAR 0.01

<b>Quotations</b>	Two decimal places
<b>Strike Price Reset Event</b>	<p>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:</p> <p>a) Strike Price Reset Level 1, the Strike Prices of both Options are increased to Strike Price Reset Value 1</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>
<b>Strike Price Reset Levels</b>	1. 106% (11,576.86) of the Initial Index Reference Level
<b>Strike Price Reset Values</b>	1. Option 1 – 103.88% (11,345.33) and Option 2 – 96.46% (10,534.95) of the Initial Index Reference Level respectively
<b>Strike Price Reset Determination Days</b>	Means each scheduled Trading Day from (and including) the Trade Date, to (and including) the Final Reset Date.
<b>Strike Price Valuation Time</b>	The Scheduled Closing Time on the JSE.
<b>Final Reset Date</b>	21 October 2020
<b>TERMS &amp; CONDITIONS – OPTION 1</b>	
<b>Type</b>	Put
<b>Buyer</b>	Is the party that is the Long Party to the Can-Do option
<b>Seller</b>	Is the party that is the Short Party to the Can-Do option
<b>Strike Price</b>	98% (10,703.14) of the Initial Index Reference Level
<b>TERMS &amp; CONDITIONS – OPTION 2</b>	
<b>Type</b>	Put
<b>Buyer</b>	Is the party that is the Short Party to the Can-Do option
<b>Seller</b>	Is the party that is the Long Party to the Can-Do option
<b>Strike Price</b>	91% (9,938.63) of the Initial Index Reference Level
<b>PROCEDURE FOR EXERCISE</b>	
<b>Automatic Exercise</b>	Applicable. For the avoidance of doubt, Option 1 and Option 2 will be automatically exercised (either together or separately) where the Strike Price Differential for that Option is greater than zero.

<b>Valuation and Expiration Time</b>	Official closing time as published by the Underlying Listed Exchange on the Final Valuation Date 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
<b>Expiration and Valuation Date</b>	21 October 2020 (Further expiration dates may be added upon request)
<b>Reference Level</b>	The level of the Underlying (as published by the JSE) at the Valuation Time on the Valuation Date Date(s)
<b>SETTLEMENT TERMS</b>	
<b>Cash Settlement</b>	Applicable
<b>Settlement Currency</b>	South African Rand (ZAR)
<b>Cash Settlement Amount</b>	The amount determined on the Valuation Date at the Valuation Time, in accordance with the following formula: <b><i>Number of Option Contracts * Multiplier *</i></b> <b><i>[max(0, Strike<sub>put1</sub> - Spot<sub>final</sub>) - max(0, Strike<sub>put2</sub> - Spot<sub>final</sub>)]</i></b>
<b>Cash Settlement Payment Date</b>	Two (2) Currency Business Days following the Valuation Date
<b>Business Days</b>	Johannesburg
<b>Business Day Convention</b>	Following (Cash flows that fall on a non-business day are assumed to be distributed on the following business day)
<b>COST IMPLICATIONS</b>	
<b>JSE Trading Fees</b>	See Can-Do Booking Fee Schedule – Fee Model EXO: <a href="https://www.jse.co.za/content/JSE Pricing Items/MPL/JSE%20Price%20List%202020%20-%20Issuers%20Services%20and%20Trading.pdf">https://www.jse.co.za/content/JSE Pricing Items/MPL/JSE%20Price%20List%202020%20-%20Issuers%20Services%20and%20Trading.pdf</a>

Can-Do instruments are loaded into the MIT 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](mailto:EDM@jse.co.za)

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