

## MARKET NOTICE

**Number:** 070/2024

**Relates to:**

- ☐ Equity Market
- ☒ Equity Derivatives Market
- ☐ Commodity Derivatives Market
- ☐ Currency Derivatives Market
- ☐ Interest Rate Derivatives Market
- ☐ Bond Market
- ☐ Bond ETP Market

**Date:** 08 March 2024

**SUBJECT:** **TREATMENT OF NEPI ROCKCASTLE N.V (NRP) CORPORATE ACTION – CAPITAL REDUCTION 13 MARCH 2024 (EX. DATE)**

**Name and Surname:** Matthias Kempgen

**Designation:** Chief Information & Operating Officer – JSE Clear

Members notice is drawn to section 13 of the contract specifications of Individual Equity Futures and options, which states:

### **“13. Corporate Events**

The JSE reserves the right to adopt any procedure or to adjust any single stock future or option on a single stock future, in a manner it deems fit, to deal with any extraordinary corporate events that may occur from time to time in relation to a share that is the underlying instrument of the equity option and to notify position holders, derivatives members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundlings, capitalisation issues and rights issues.

The implication of this is that anybody trading in Single Stock futures or options on Single Stock futures in which the underlying stock is the subject of an extraordinary corporate event should be aware that the JSE may make adjustments to the Single Stock futures and options.

### Capital Reduction

**Nepi Rockcastle N.V (NRP)** has declared a capital reduction of **535.51893** cents per share. With regards to this corporate action, the following adjustments will be made to NRP positions on 13 March 2024 (**Ex-date**). The adjustments will be made to the positions held as at close of business on 12 March 2024 (**LDT**).

#### **IMPORTANT NOTE for position holders:**

Certain types of corporate actions require futures and options positions to be adjusted. This is done by applying the relevant position factor (determined as per published methodologies). The application of the position factor often results in decimal values, as a result rounding is a key part of the corporate action processing.

Therefore, current positions multiplied with the factor are rounded up or down to the nearest whole contract which determines the adjusted position. Smaller positions (depending on the factor) may as a result not receive additional contracts.

Please refer to the published guidance note for details:

<https://www.jse.co.za/content/Guidance%20Notes/ITaC%20Guidance%20Note%20on%20Corporate%20Actions.pdf>

Adjusted positions will be created at an initial value of zero.

#### Please note:

Adjustments will be made to all contracts where NRP is the underlying share. These contracts include:

Contract Code	JSE Instrument Type
20MAR24 NRP PHY DN	Dividend Neutral
20MAR24 NRP PHY	Single Stock
20MAR24 NRP PHY DN CA1	Dividend Neutral
20MAR24 NRP PHY CA1	Single Stock
20MAR24 NRP CSH	Single Stock
20MAR24 NRP CSH DN	Dividend Neutral
20MAR24 NRP CSH DN CA1	Dividend Neutral
20MAR24 NRP CSH CA1	Single Stock
20MAR24 NRP CSH CFD RODI	CFD
20MAR24 NRP CSH CFD SABOR	CFD
20JUN24 NRP PHY DN	Dividend Neutral
20JUN24 NRP PHY	Single Stock
20JUN24 NRP PHY DN CA1	Dividend Neutral
20JUN24 NRP PHY CA1	Single Stock
18APR24 NRP CSH	Single Stock
18APR24 NRP CSH DN	Dividend Neutral
18APR24 NRP CSH DN CA1	Dividend Neutral
18APR24 NRP CSH CA1	Single Stock
16MAY24 NRP CSH	Single Stock
16MAY24 NRP CSH DN	Dividend Neutral
16MAY24 NRP CSH DN CA1	Dividend Neutral
16MAY24 NRP CSH CA1	Single Stock
20JUN24 NRP CSH	Single Stock

20JUN24 NRP CSH DN	Dividend Neutral
20JUN24 NRP CSH DN CA1	Dividend Neutral
20JUN24 NRP CSH CA1	Single Stock
19SEP24 NRP PHY DN	Dividend Neutral
19SEP24 NRP PHY	Single Stock
19SEP24 NRP PHY DN CA1	Dividend Neutral
19SEP24 NRP PHY CA1	Single Stock
18JUL24 NRP CSH	Single Stock
18JUL24 NRP CSH DN	Dividend Neutral
18JUL24 NRP CSH DN CA1	Dividend Neutral
18JUL24 NRP CSH CA1	Single Stock
15AUG24 NRP CSH	Single Stock
15AUG24 NRP CSH DN	Dividend Neutral
15AUG24 NRP CSH DN CA1	Dividend Neutral
15AUG24 NRP CSH CA1	Single Stock
19SEP24 NRP CSH	Single Stock
19SEP24 NRP CSH DN	Dividend Neutral
19SEP24 NRP CSH DN CA1	Dividend Neutral
19SEP24 NRP CSH CA1	Single Stock
19DEC24 NRP PHY DN	Dividend Neutral
19DEC24 NRP PHY	Single Stock
19DEC24 NRP PHY DN CA1	Dividend Neutral
19DEC24 NRP PHY CA1	Single Stock
17OCT24 NRP CSH	Single Stock
17OCT24 NRP CSH DN	Dividend Neutral
17OCT24 NRP CSH DN CA1	Dividend Neutral
17OCT24 NRP CSH CA1	Single Stock
21NOV24 NRP CSH	Single Stock
21NOV24 NRP CSH DN	Dividend Neutral
21NOV24 NRP CSH DN CA1	Dividend Neutral
21NOV24 NRP CSH CA1	Single Stock
19DEC24 NRP CSH	Single Stock
19DEC24 NRP CSH DN	Dividend Neutral
19DEC24 NRP CSH DN CA1	Dividend Neutral
19DEC24 NRP CSH CA1	Single Stock
20MAR25 NRP PHY DN	Dividend Neutral
20MAR25 NRP PHY	Single Stock
20MAR25 NRP PHY DN CA1	Dividend Neutral
20MAR25 NRP PHY CA1	Single Stock
16JAN25 NRP CSH	Single Stock
16JAN25 NRP CSH DN	Dividend Neutral
16JAN25 NRP CSH DN CA1	Dividend Neutral
16JAN25 NRP CSH CA1	Single Stock
20FEB25 NRP CSH	Single Stock
20FEB25 NRP CSH DN	Dividend Neutral
20FEB25 NRP CSH DN CA1	Dividend Neutral
20FEB25 NRP CSH CA1	Single Stock

20MAR25 NRP CSH	Single Stock
20MAR25 NRP CSH DN	Dividend Neutral
20MAR25 NRP CSH DN CA1	Dividend Neutral
20MAR25 NRP CSH CA1	Single Stock
20MAR25 NRP CSH CFD RODI	CFD
20MAR25 NRP CSH CFD SABOR	CFD
19JUN25 NRP PHY DN	Dividend Neutral
19JUN25 NRP PHY	Single Stock
19JUN25 NRP PHY DN CA1	Dividend Neutral
19JUN25 NRP PHY CA1	Single Stock

## 1. FUTURES CONTRACTS

The futures positions will be adjusted by the following factor:

Calculation of futures factor:

**Spot price / adjusted price**

Where:

**Spot price** = the official closing price of the underlying share on 12 March 2024 (**LDT**)

**Adjusted price** = Spot price – **5.3551893 (Capital Reduction)**

Example: If the official closing price of the underlying shares on 12 March 2024 (**LDT**) is 133.85, the following would apply:

Spot price = 133.85

Adjusted price = 133.85 – **5.3551893**  
= **128.49**

Futures factor = 133.85 / 128.49  
= **1.041715**

**I.e.** Current positions\*factor (rounded to nearest whole contract) = the number of total contracts. Adjusted contracts will be created at an initial value of zero.

## 2. OPTION CONTRACTS

- The position on options will be adjusted by the futures factor.
- The option strikes will be adjusted by the options factor:

Calculation of options factor (based on the example above):

**Adjusted price / spot price.**

Options factor = 128.49 / 133.85

= 0.959955

Example: if the old strike is 133.82 the following would apply: -

**New strike** = Old strike \* options factor

=133.82\* 0.959955

= **128.46**

Existing positions will be closed out at a 0 value and new positions opened at the new strike with a 0 value.

### 3. CFD CONTRACTS

Current positions\*Factor (rounded to nearest whole contract) = the number of total contracts. Adjusted contracts will be created at an initial value of zero.

#### TREATMENT FOR ALLOCATION ON ADDITIONAL CONTRACTS

With the implementation of ITaC, the JSE has enhanced the position adjustment process.

Please see link below to the Guidance Note issued on treatment of corporate actions as distributed in October 2018 and specifically refer to Section 8 for details of the position adjustment process:

<https://www.jse.co.za/content/Guidance%20Notes/ITaC%20Guidance%20Note%20on%20Corporate%20Actions.pdf>

Should you have any queries regarding this Market Notice, please e-mail: [clearops@jse.co.za](mailto:clearops@jse.co.za)

This Market Notice is available on the JSE website at: [JSE Market Notices](#)