

MARKET NOTICE

 Johannesburg
 Stock Exchange

 Tel: +27 11 520 7000
www.jse.co.za

Number: 177/2020
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives
Date: 21 April 2020

SUBJECT: EXOTIC OPTION - FTSE/JSE SHAREHOLDER WEIGHTED TOP 40 INDEX - STRIKE RESETTING
 PUT SPREAD - XS66

Name and Surname: Valdene Reddy
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	
Description	Exotic Option:Strike Resetting Put Spread Option (Strike resets monitored discretely)
DIN Code	JSHR40 Option Cash Base XS66
Option Style	European
Underlying	FTSE/JSE Shareholder Weighted Top 40 Index Bloomberg Code: JSHR40 Index
Primary Exchange	JSE Ltd.
Underlying Currency	ZAR
Contract Size (Multiplier)	1 (each option references 1 share)
Expiration Date	17 December 2020 (Further expiration dates may be added upon request)
Settlement Method	Cash Settled

Minimum Price Movement	ZAR 0.01
Quotations	Two decimal places
Strike Price Reset Event	<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>
Strike Price Reset Levels	1. 111% (10,284.61) of the Initial Index Reference Level
Strike Price Reset Values	1. Option 1 – 108.78% (10,078.91) and Option 2 – 101.01% (9,358.99) 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	17 December 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	98% (9,080.10) of the Initial Index Reference Level
TERMS & CONDITIONS – OPTION 2	
Type	Put
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	91% (8,431.52) of the Initial Index Reference Level

PROCEDURE FOR EXERCISE	
Automatic Exercise	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.
Valuation and Expiration Time	Standard SAFEX quarterly expiry time (normally 12:15pm on expiry date)
Expiration and Valuation Date	17 December 2020 (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)
SETTLEMENT TERMS	
Cash Settlement	Applicable
Settlement Currency	South African Rand (ZAR)
Cash Settlement Amount	The amount determined on the Valuation Date at the Valuation Time, in accordance with the following formula: <i>Number of Option Contracts * Multiplier * [max(0, Strike_{put1} - Spot_{final}) - max(0, Strike_{put2} - Spot_{final})]</i>
Cash Settlement Payment Date	One (1) 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	See Can-Do Booking Fee Schedule – Fee Model EXO: Fee Model EXO :

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](tel:0115207981) 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>