

MARKET NOTICE

Number: 331/2023

Relates to:

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

Date: 14 September 2023

SUBJECT: TREATMENT OF COMPAGNIE FIN RICHEMONT (CFR) CORPORATE ACTION – SPECIAL AND CASH DIVIDEND - 20 SEPTEMBER 2023 (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.

Special and Cash Dividend

Compagnie Fin Richemont (CFR) declared a special dividend of 2114.5 cents per share and a cash dividend of 5286.25 cents per share. With regards to this corporate action, the following adjustments will be made to CFR positions on 20 September 2023 (**Ex-date**). The adjustments will be made to positions held as at close of business on 19 September 2023 (**LDT**).

Please note:

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

Contract Code	JSE Instrument Type
21SEP23 CFR CSH	Single Stock
19OCT23 CFR CSH	Single Stock
16NOV23 CFR CSH	Single Stock
21DEC23 CFR CSH	Single Stock
18JAN24 CFR CSH	Single Stock
15FEB24 CFR CSH	Single Stock
20MAR24 CFR CSH	Single Stock
18APR24 CFR CSH	Single Stock
16MAY24 CFR CSH	Single Stock
21SEP23 CFR PHY	Single Stock
19OCT23 CFR PHY	Single Stock
16NOV23 CFR PHY	Single Stock
21DEC23 CFR PHY	Single Stock
18JAN24 CFR PHY	Single Stock
15FEB24 CFR PHY	Single Stock
20MAR24 CFR PHY	Single Stock
18APR24 CFR PHY	Single Stock
16MAY24 CFR PHY	Single Stock
21SEP23 CFR PHY DN	Dividend Neutral
21DEC23 CFR PHY DN	Dividend Neutral
20MAR24 CFR PHY DN	Dividend Neutral
20JUN24 CFR PHY DN	Dividend Neutral
04JAN24 CFR CSH ANY	Single Stock
21SEP23 CFR CSH DN	Dividend Neutral
21DEC23 CFR CSH DN	Dividend Neutral
20MAR24 CFR CSH DN	Dividend Neutral
20JUN24 CFR CSH DN	Dividend Neutral
20MAR24 CFR CSH CFD RODI	CFD
20MAR24 CFR CSH CFD SABOR	CFD
21SEP23 CFR CSH 2162.9P	Single Stock
21SEP23 CFR CSH 2377P	Single Stock
21SEP23 CFR CSH 2535.6P	Single Stock
21SEP23 CFR CSH 2726.6P	Single Stock
21SEP23 CFR CSH 2979.3C	Single Stock
21SEP23 CFR CSH 3212.4C	Single Stock
04JAN24 CFR CSH ANY 1946.1P	Single Stock
04JAN24 CFR CSH ANY 2724.5P	Single Stock

04JAN24 CFR CSH ANY 3238.3C	Single Stock
20JUN24 CFR CSH	Single Stock
20JUN24 CFR PHY	Single Stock
21SEP23 CFR CSH 2782.27P	Single Stock
21SEP23 CFR CSH 3091.41P	Single Stock
21SEP23 CFR CSH 3412.92C	Single Stock
21DEC23 CFR CSH 2841.44P	Single Stock
21DEC23 CFR CSH 3157.16P	Single Stock
21DEC23 CFR CSH 3933.82C	Single Stock
18JUL24 CFR CSH	Single Stock
18JUL24 CFR PHY	Single Stock
21DEC23 CFR CSH 2695.16P	Single Stock
21DEC23 CFR CSH 3001.43P	Single Stock
21DEC23 CFR CSH 3721.16C	Single Stock
21DEC23 CFR CSH 2697.43P	Single Stock
21DEC23 CFR CSH 3003.96P	Single Stock
21DEC23 CFR CSH 3724.3C	Single Stock
19SEP24 CFR PHY DN	Dividend Neutral
19SEP24 CFR CSH DN	Dividend Neutral
21DEC23 CFR CSH 2683.2P	Single Stock
21DEC23 CFR CSH 3286.92P	Single Stock
21DEC23 CFR CSH 3857.1C	Single Stock
21DEC23 CFR CSH 2628.36P	Single Stock
21DEC23 CFR CSH 3030.34P	Single Stock
21DEC23 CFR CSH 3658.98C	Single Stock
15AUG24 CFR CSH	Single Stock
15AUG24 CFR PHY	Single Stock
21SEP23 CFR PHY 2800P	Single Stock
21SEP23 CFR CSH 2695.16P	Single Stock
21SEP23 CFR CSH 3001.43P	Single Stock
21SEP23 CFR CSH 3721.16C	Single Stock
21DEC23 CFR CSH 2479.64P	Single Stock
21DEC23 CFR CSH 2761.42P	Single Stock
21DEC23 CFR CSH 3205.22C	Single Stock
19SEP24 CFR CSH	Single Stock
19SEP24 CFR PHY	Single Stock
17OCT24 CFR CSH	Single Stock
17OCT24 CFR PHY	Single Stock
19DEC24 CFR PHY DN	Dividend Neutral
19DEC24 CFR CSH DN	Dividend Neutral
21DEC23 CFR CSH 3205C	Single Stock
21DEC23 CFR CSH 2745C	Single Stock

1. POSITION FACTOR

The futures position will be adjusted using the following position factor:

Calculation of position factor:

Spot price / adjusted price

Where:

Spot price = the official closing price of the underlying share on **19 September 2023 (LDT) – 52.8625 (Cash Dividend)**

Adjusted price = Spot price – **21.145 (Special Dividend)**.

Example: If the official closing price of the underlying shares on 19 September 2023 (**LDT**) is 2487.24, the following would apply:

Spot price = 2487.24 – 52.8625 = **2434.38**

Adjusted price = 2434.38 – 21.145
= **2413.23**

Position factor = 2434.38 / 2413.23
= **1.008764**

I.e. Current positions*position 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

- a. The option positions will be adjusted by the same factor as the futures positions.
- b. The option strikes will be adjusted using the options factor

Calculation of options factor

Adjusted price / spot price.

Options factor = 2413.23 / 2434.38
= **0.991312**

E.g. if the old strike is 2486.24, the following would apply: -

New strike = Old strike * options factor
= 2486.24 * 0.991312
= **2464.64**

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

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