

## MARKET NOTICE

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**Number:** 436/2022  
**Relates to:**  Equity Market  
 Equity Derivatives Market  
 Commodity Derivatives Market  
 Currency Derivatives Market  
 Interest Rate Derivatives Market  
 Bond Market  
 Bond ETP Market

**Date:** 7 September 2022

**SUBJECT:** TREATMENT OF PSG GROUP LIMITED (PSG) CORPORATE ACTION - UNBUNDLING  
7 SEPTEMBER 2022 (EX-DATE)

**Name and Surname:** Matthias Kempgen  
**Designation:** Chief Operating Officer – JSE Clear

Member's notice is drawn to section 13 of the JSE Derivatives Directives, Equity Derivatives Contract Specifications, 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, unbundling, capitalization issues and rights issues.

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

#### Unbundling

**PSG Group Limited (PSG)** shareholders will receive the below shares for every 1 **PSG Group Limited (PSG)** share held.

For every 1 **PSG Group Limited (PSG)** shareholders will receive 1.02216 **Stadio Holdings Limited (SDO)** shares

For every 1 **PSG Group Limited (PSG)** shareholders will receive 1.0365 **CA Sales Holdings Limited (CAA)** shares

For every 1 **PSG Group Limited (PSG)** shareholders will receive 0.12364 **Kaap Agri Limited (KAL)** shares

For every 1 **PSG Group Limited (PSG)** shareholders will receive 1.81597 **Curro Holdings Limited (COH)** shares

For every 1 **PSG Group Limited (PSG)** shareholders will receive 3.86921 **PSG Konsult Limited (KST)** shares

With regards to this corporate action, the following adjustments will be made to all contracts with the underlying of PSG on Wednesday, **7 September 2022 (Ex-date)**. The adjustments will be made to positions as at close of business on Tuesday, **6 September 2022 (LDT)**.

**Please note:**

Adjustments will be made to all contracts where **PSG** is the underlying share and where there is currently open interest. These contracts include:

Contract Code	JSE Instrument Type
15SEP22 PSG PHY DN	Dividend Neutral
15SEP22 PSG PHY	Single Stock
15SEP22 PSG CSH	Single Stock
15SEP22 PSG CSH DN	Dividend Neutral

The existing basket future contract **BSK095** will also be impacted by this corporate action and will now include the resultant constituents and a rebalancing of the constituent weights will be required.

Contract Code	JSE Instrument Type
15SEP22 BSK095 PHY DN	Dividend Neutral
15SEP22 BSK095 PHY	Single Stock
15SEP22 BSK095 CSH	Single Stock
15SEP22 BSK095 CSH DN	Dividend Neutral

**Please note:**

The new basket future contract **BSK122** will be created during the EOD batch process on LDT 6 September 2022 and will be available for trading on Ex-date 7 September 2022.

**1. Derivative positions**

- The JSE will list the new basket future contract **BSK122** which will contain the following constituents:
  - Stadio Holdings Limited (SDO)
  - CA Sales Holdings Limited (CAA)
  - Kaap Agri Limited (KAL)
  - Curro Holdings Limited (COH)
  - PSG Konsult Limited (KST)
  - PSG Group Limited (PSG)

The newly listed basket future contract will only be for **15 September 2022** expiry and no further expiries will be created, due to three of the five new constituents not meeting eligibility criteria. In addition, there is currently no open interest on contracts with expiries beyond 15 September 2022.

- Please note that only the following constituents meets the clearability criteria ([JSE Clear Clearable Derivative Products Framework - May 2022 Final.pdf](#)) in the Equity Derivatives Market:
  - Curro Holdings Limited (COH)
  - PSG Konsult Limited (KST)

The suspension of contracts does not apply to the above constituents as they meet the eligibility criteria.

- The below constituents will have no future derivative contracts created due to not meeting the listing requirements:
  - Stadio Holdings Limited (SDO)
  - CA Sales Holdings Limited (CAA)
  - Kaap Agri Limited (KAL)
- Positions in PSG Group Limited (PSG) as held on close of business on Tuesday, 6 September 2022 (LDT) will be closed out at a value of zero and new positions will be created in the new basket future contracts at a value of zero on 7 September 2022 (Ex-date).

**E.g.,** If you had 10 futures contracts in PSG Group Limited (PSG), the JSE will close out this position at a value of zero and open a new position of 10 futures contracts in the new basket created.

- The new basket futures contract will comprise of PSG/SDO / KAL / CAA / COH / KST shares in the following ratio: -

$$1 \text{ New Basket Future Contract} = \frac{(1 \text{ PSG Contract} + 1.02216 \text{ SDO} + 1.0365 \text{ CAA} + 0.12364 \text{ KAL} + 1.81597 \text{ COH} + 3.86921 \text{ KST contract}) \times \text{Nominal (100)}}{\text{KST contract}}$$

- The MTM price of the new basket future contract will be determined by calculating the fair value of: -

$$\text{A notional basket containing } 1 \text{ PSG contract} + 1.02216 \text{ SDO} + 1.0365 \text{ CAA} + 0.12364 \text{ KAL} + 1.81597 \text{ COH} + 3.86921 \text{ KST contract}$$

- At expiry date the future will be physically settled according to the following ratio: -

$$1 \text{ New Basket Futures Contract} = \frac{(1 \text{ PSG share} + 1.02216 \text{ SDO} + 1.0365 \text{ CAA} + 0.12364 \text{ KAL} + 1.81597 \text{ COH} + 3.86921 \text{ KST share})}{\text{KST share}}$$

- The final settlement price of the new basket futures contract at expiry will be determined as follows: -

$$\frac{(1 * \text{PSG share price}) + (1.02216 * \text{SDO share price} + 1.0365 * \text{CAA share price} + 0.12364 * \text{KAL share price} + 1.81597 * \text{COH share price} + 3.86921 * \text{KST share price})}{\text{KST share price}}$$

## 2. Option positions

- The JSE will make the same adjustments to option positions as made to futures positions above.
- Strike prices will remain unaffected.

## 3. Suspension of current PSG and BSK095 expiries with no exposure

The below contracts will be suspended effective 2 September 2022 as there is currently no open interest:

<b>Contract Code</b>	<b>JSE Instrument Type</b>
20OCT22 PSG CSH	Single Stock
20OCT22 PSG PHY	Single Stock
17NOV22 PSG PHY	Single Stock
17NOV22 PSG CSH	Single Stock
15DEC22 PSG PHY	Single Stock
15DEC22 PSG CSH	Single Stock
15DEC22 PSG PHY DN	Dividend Neutral
15DEC22 PSG CSH DN	Dividend Neutral
19JAN23 PSG PHY	Single Stock
19JAN23 PSG CSH	Single Stock
16FEB23 PSG PHY	Single Stock
16FEB23 PSG CSH	Single Stock
16MAR23 PSG PHY	Single Stock
16MAR23 PSG CSH	Single Stock
16MAR23 PSG PHY DN	Dividend Neutral
16MAR23 PSG CSH CFD RODI	CFD
16MAR23 PSG CSH CFD SABOR	CFD
16MAR23 PSG CSH DN	Dividend Neutral
20APR23 PSG PHY	Single Stock
20APR23 PSG CSH	Single Stock
18MAY23 PSG PHY	Single Stock
18MAY23 PSG CSH	Single Stock
15JUN23 PSG PHY	Single Stock
15JUN23 PSG CSH	Single Stock
15JUN23 PSG PHY DN	Dividend Neutral
15JUN23 PSG CSH DN	Dividend Neutral
20JUL23 PSG PHY	Single Stock
20JUL23 PSG CSH	Single Stock
17AUG23 PSG PHY	Single Stock
17AUG23 PSG CSH	Single Stock
21SEP23 PSG PHY	Single Stock
21SEP23 PSG CSH	Single Stock
21SEP23 PSG PHY DN	Dividend Neutral
21SEP23 PSG CSH DN	Dividend Neutral
20OCT22 BSK095 CSH	Single Stock
20OCT22 BSK095 PHY	Single Stock
17NOV22 BSK095 PHY	Single Stock
17NOV22 BSK095 CSH	Single Stock
15DEC22 BSK095 PHY	Single Stock
15DEC22 BSK095 CSH	Single Stock
15DEC22 BSK095 PHY DN	Dividend Neutral

<b>Contract Code</b>	<b>JSE Instrument Type</b>
15DEC22 BSK095 CSH DN	Dividend Neutral
19JAN23 BSK095 PHY	Single Stock
19JAN23 BSK095 CSH	Single Stock
16FEB23 BSK095 PHY	Single Stock
16FEB23 BSK095 CSH	Single Stock
16MAR23 BSK095 PHY	Single Stock
16MAR23 BSK095 CSH	Single Stock
16MAR23 BSK095 PHY DN	Dividend Neutral
16MAR23 BSK095 CSH DN	Dividend Neutral
20APR23 BSK095 PHY	Single Stock
20APR23 BSK095 CSH	Single Stock
18MAY23 BSK095 PHY	Single Stock
18MAY23 BSK095 CSH	Single Stock
15JUN23 BSK095 PHY	Single Stock
15JUN23 BSK095 CSH	Single Stock
15JUN23 BSK095 PHY DN	Dividend Neutral
15JUN23 BSK095 CSH DN	Dividend Neutral
20JUL23 BSK095 PHY	Single Stock
20JUL23 BSK095 CSH	Single Stock
17AUG23 BSK095 PHY	Single Stock
17AUG23 BSK095 CSH	Single Stock
21SEP23 BSK095 PHY	Single Stock
21SEP23 BSK095 CSH	Single Stock
21SEP23 BSK095 PHY DN	Dividend Neutral
21SEP23 BSK095 CSH DN	Dividend Neutral

#### **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://clientportal.jse.co.za/content/guidance%20notes/itac%20guidance%20note%20on%20corporate%20actions.pdf>

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

This Market Notice is available on the website at <https://clientportal.jse.co.za/communication/jse-market-notices>