
MARKET NOTICEJohannesburg
Stock ExchangeTel: +27 11 520 7000
www.jse.co.za**Number:** 495/2022**Relates to:**
 Equity Market
 Equity Derivatives Market
 Commodity Derivatives Market
 Currency Derivatives Market
 Interest Rate Derivatives Market
 Bond Market
 Bond ETP Market**Date:** 07 October 2022**SUBJECT:** TREATMENT OF FIRSTRAND LIMITED (FSR) CORPORATE ACTION – SPECIAL DIVIDEND AND CASH DIVIDEND 12 OCTOBER 2022 (EX. DATE)**Name and Surname:** Matthias Kempgen**Designation:** Chief 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

Firststrand Limited (FSR) has declared a special dividend of 125 cents per share and a cash dividend of 185 cents per share. With regards to this corporate action, the following adjustments will be made to FSR positions on 12 October 2022 (**Ex-date**). The adjustments will be made to positions held as at close of business on 11 October 2022 (**LDT**).

Please note:

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

Contract Code	JSE Instrument Type
15DEC22 FSR PHY DN	Dividend Neutral
20OCT22 FSR CSH	Single Stock
20OCT22 FSR PHY	Single Stock
17NOV22 FSR CSH	Single Stock
17NOV22 FSR PHY	Single Stock
15DEC22 FSR CSH	Single Stock
15DEC22 FSR PHY	Single Stock
15DEC22 FSR CSH DN	Dividend Neutral
15DEC22 FSR PHY 48P	Single Stock
19JAN23 FSR CSH	Single Stock
19JAN23 FSR PHY	Single Stock
16MAR23 FSR PHY DN	Dividend Neutral
16FEB23 FSR CSH	Single Stock
16FEB23 FSR PHY	Single Stock
16MAR23 FSR CSH	Single Stock
16MAR23 FSR PHY	Single Stock
20APR23 FSR CSH	Single Stock
20APR23 FSR PHY	Single Stock
16MAR23 FSR CSH CFD RODI	CFD
16MAR23 FSR CSH CFD SABOR	CFD
15JUN23 FSR PHY DN	Dividend Neutral
16MAR23 FSR CSH DN	Dividend Neutral
18MAY23 FSR CSH	Single Stock
18MAY23 FSR PHY	Single Stock
15JUN23 FSR CSH	Single Stock
15JUN23 FSR PHY	Single Stock
20JUL23 FSR CSH	Single Stock
20JUL23 FSR PHY	Single Stock
15DEC22 FSR PHY 70C	Single Stock
21SEP23 FSR PHY DN	Dividend Neutral
15JUN23 FSR CSH DN	Dividend Neutral

17AUG23 FSR CSH	Single Stock
17AUG23 FSR PHY	Single Stock
21SEP23 FSR CSH	Single Stock
21SEP23 FSR PHY	Single Stock
16MAR23 FSR PHY 70C	Single Stock
08NOV22 FSR CSH ANY	Single Stock
08NOV22 FSR CSH ANY 70000C	Single Stock
08NOV22 FSR CSH ANY 59.5P	Single Stock
08NOV22 FSR CSH ANY 70.01P	Single Stock
08NOV22 FSR CSH ANY 70.01C	Single Stock
17NOV22 FSR CSH 68P	Single Stock
17NOV22 FSR CSH 60C	Single Stock
17NOV22 FSR CSH 66.66P	Single Stock
17NOV22 FSR CSH 56.14P	Single Stock
19OCT23 FSR CSH	Single Stock
19OCT23 FSR PHY	Single Stock
21DEC23 FSR PHY DN	Dividend Neutral
21SEP23 FSR CSH DN	Dividend Neutral
16NOV23 FSR CSH	Single Stock
16NOV23 FSR PHY	Single Stock
16MAR23 FSR PHY 60P	Single Stock

1. FUTURES CONTRACTS

The futures position will be increased by the following factor:

Calculation of futures factor:

Spot price / adjusted price

Where:

Spot price = the official closing price of the underlying share on **11 October 2022 (LDT) – 1.85 (Cash Dividend)**

Adjusted price = Spot price – **1.25 (Special Dividend)**.

Example: If the official closing price of the underlying shares on 11 October 2022 (LDT) is 60.74, the following would apply:

Spot price = 60.74 – 1.85 = **58.89**

Adjusted price = 58.89 – 1.25

= **57.64**

$$\begin{aligned} \text{Futures factor} &= 58.89 / 57.64 \\ &= \mathbf{1.021686} \end{aligned}$$

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

2. OPTION CONTRACTS

- a. The options position will be increased by the same factor as the futures above.
- b. The option strikes will be adjusted by the following factor:

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

Adjusted price / spot price

$$\begin{aligned} \text{Options factor} &= 57.64 / 58.89 \\ &= \mathbf{0.978773} \end{aligned}$$

E.g. if the old strike is 60.70 the following would apply: -

$$\begin{aligned} \text{New strike} &= \text{Old strike} * \text{options factor} \\ &= 60.70 * 0.978773 \\ &= \mathbf{59.41} \end{aligned}$$

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

Should you have any queries regarding this notice, please contact clearops@jse.co.za

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